

WORLD NEWS

Gorbachev softens INF stance

Soviet leader Mikhail Gorbachev yesterday proposed talks with NATO to reduce and then eliminate short-range nuclear missiles in Europe, parallel with but not linked to the current medium-range missile talks in Geneva.

The proposal was seen as a step towards meeting NATO's demands that any agreement on eliminating intermediate-range nuclear forces (INF) in Europe should be accompanied by limits on shorter-range arms.

The US is reported to have toughened some of its positions on arms control issues ahead of the visit by US Secretary George Shultz to Moscow next week. Page 2

Boast for school heads

State school heads and governors will be given far greater management responsibility if the Tories win the next election, Education Secretary Kenneth Baker said. Back Page

AIDS sacking supported

An industrial tribunal upheld the dismissal of a homosexual Leicestershire cinema projectionist sacked because colleagues thought they might catch AIDS from him. Page 4

22 years for robbery

Armed robbers John Reed and Peter Mitchell were jailed for 22 years at the Old Bailey for robbing a security van of £200,000. Police said they had given junior round-the-clock protection against interference. Page 12

Rome PM nominated

Italian President Cossiga nominated outgoing Interior Minister Oscar Luigi Scalfaro as President designate, charged with forming a new government. Page 1

Backing for Sarney

Leaders of Brazil's Democratic Movement Party rallied to the defence of President Jose Sarney and embattled Finance Minister Dilson Fumero. Page 2

Mine blast kills 54

A gas explosion in a South African coal mine killed 54 miners and hurt 14 others. Page 2

Nurses consider action

The Royal College of Nursing conference in Glasgow voted for a meeting to consider industrial action over pay for the first time. Page 4

Five die on M5

Three people died in a two-car crash on the M5 near Bristol. Two others were killed in another accident 17 miles along the motorway. Page 4

Homelessness record

There are a record 102,980 homeless people in England, almost double the 1978 figure, official figures show.

Strikes hit tourists

Hundreds of thousands of tourists and consumers were hit by simultaneous pay strikes on Spanish public transport.

England win cup

England won the Sharjah Cup cricket tournament on run rate after Pakistan beat India in the final match of the four-nation contest.

Briefly . . .

Sri Lanka government announced a ceasefire against separatists. Page 2

Earthquake hit Tokyo; no damage was reported.

Leonard Bernstein, US conductor, was named president of the London Symphony Orchestra.

MARKETS

DOLLAR

New York lunchtime: £1.6275
London: £1.6265 (1.618)

STERLING
£1.4975
Y142.7

London: £1.8055 (1.8235)
FFr 6.01 (6.0725)
SF 1.495 (1.5145)
Y142.45 (144.7)

Dollar index 100.7 (101.8)

Tokyo close: Y142.5

US LUNCHTIME RATES

Fed Funds 6.75%

3-month Treasury Bills: 6.04%

Long Bond: 12.5%

gold: 8.19%

GOLD

New York: Comex June latest: \$430.5

London: \$431.75 (942)

Gold price changes yesterday. Back Page

BUSINESS SUMMARY

UK banks agree on Mexico loan

SIX British banks agreed yesterday to take part in a \$7.7bn (£4.7bn) loan for Mexico, removing the last-minute obstacle to a financial rescue package which has been in preparation for nine months.

Standard Chartered Bank, Royal Bank of Scotland and the big four clearers had refused to sign the loan because US banks' commitment to it had fallen short of the target. Back Page

UK EQUITIES: Markets tumbled heavily in early trading as the City sensed the danger of a renewed crisis for the dollar following the low-key outcome

of the G7 meeting. The FT-SE 100 index closed at 1,538.7, a loss of 26.1 on the day and 25.4 on the week. The FT Ordinary index finished at 1,523.8, a 22.4 fall on the day and a 22.6 point drop on the week. Page 12

INFLATION rates edged up to 4 per cent last month, the highest level for a year. Back Page

BANK OF ENGLAND plans to go ahead with its first experimental auction of UK Government bonds in mid-May when it will sell £1bn of short-dated stock. Back Page

JAPAN reported a record annual trade surplus of \$88.77bn (£58.75bn) for fiscal 1986, further straining trade tensions with the West. Page 3

DEUTSCHE BANK, second largest bank in West Germany, increased partial group operating profits in 1986 by 4.3 per cent to DM 1.8bn (£80.6m). Page 16

JAMES CAPEL, London stockbroker, has bought a seat on the Manila Stock Exchange, becoming the first British-based broker to gain direct representation in the Philippine market since President Corazon Aquino came to power. Page 16

ROBERT MAXWELL, chairman of British Printing and Communication Corporation, is to buy his third large UK printing business in six months, making him the second largest printer in the US. Page 4

CONSUMER protection requirements to be introduced by Government will oblige firms to give written notification of interest rate to be charged where authorising overdrafts. Page 4

UEI electronics group announced an agreed £27.4m offer for Miles 38, computer graphics company, and reported pre-tax profits of £17m on a turnover of £115m for the 12 months to January. Page 8

BRENT WALKER issued a greatly unravelled plan for a deeply discounted one-for-one rights issue to raise \$35m to eradicate borrowings and finance future developments. Page 8

EVERED HOLDINGS, acquisitive industrial company, won its £100.7m offer for London and Northern, troubled construction, healthcare and energy group. Page 8

STERLING electronics group announced an agreed £27.4m offer for Miles 38, computer graphics company, and reported pre-tax profits of £17m on a turnover of £115m for the 12 months to January. Page 8

THE INTERNATIONAL art world was stunned by the record £22.5m paid for Van Gogh's Sunflowers. Now the Tokyo art world is in a state of shock after the discovery of the buyer and the plan for the painting's future.

The buyer, Yasuda Fire and Marine Insurance, Japan's second largest non-life insurer but unknown in the country's art world, plans to hang the Van Gogh in its obscure Seiki Toge Memorial Yasuda Kansai Museum.

The decision surprised art dealers and museum directors, not least Mr Kedich Fujita, head of the Yasuda Museum. "I read about the purchase in the papers," he said. His surprise is understandable. His annual budget for art purchases is Y1m (£4,200).

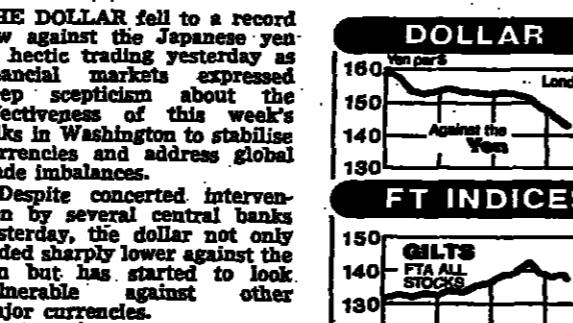
Mr Fujita says Sunflowers will be displayed alongside the museum's small collection of Grande Mere, an American primitive artist. No extensive collection of young, unknown Japanese artists and its many paintings by Seiki is one of the best."

The decision to buy a masterpiece was taken by the Yasuda board which was looking for a suitable investment to mark the company's 100th anniversary next year. With assets of more than £50m and a healthy profits profile, Yasuda could afford to buy itself about any kind of birthday present.

Sunflowers seemed particularly apt, the company said, because Van Gogh was creating the painting in Arles just

Banks fail to prevent \$ sliding to record low against the yen

BY OUR ECONOMICS, FOREIGN AND FINANCIAL STAFF



DOLLAR

FT INDICES

FTSE 100

FT All Stocks

FTSE 300

FTSE 1000

FTSE 10000

FTSE 100000

FTSE 1000000

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OVERSEAS NEWS

Gorbachev move to meet Nato demand on INF

BY LESLIE COLLIT IN PRAGUE

MR MIKHAIL GORBACHEV, the Soviet leader, yesterday proposed that negotiations on reducing and eventually eliminating short-range nuclear missiles in Europe should run parallel but not be "linked" with current medium-range missile negotiations between the US and Moscow in Geneva.

The Soviet leader's proposal was seen as a step towards meeting the Nato countries' demand that any agreement on eliminating intermediate range nuclear forces (INF) in Europe should be accompanied by "colateral constraints" on shorter range weapons.

Previously, Mr Gorbachev had indicated that Moscow was prepared to talk about shorter-range missiles, in which the West says the Soviets have an overwhelming advantage, only after the completion of an INF pact.

Mr Gorbachev said that arms site inspections, or what he called "on-site verification," which was once rejected by Moscow, was necessary at all stages of nuclear disarmament.

It should also be made, he said, to include weapons factories, training areas, the military basis of third countries and even shooting ranges.

On relations between Comecon countries, Mr Gorbachev said their economies had run at "half performance" until now and would have to start operating "full bore" after social economic restructuring got under way.

He said the Soviet Union was being supported in its economic and political reforms by other East European countries

by Mr George Shultz, the US Secretary of State.

He went out of his way to avoid criticising Washington while stressing the possibilities to achieve far-reaching agreements on limiting and abolishing nuclear and chemical weapons in Europe and reducing troop levels.

The Soviet Union, he said, had for the first time stopped production of chemical weapons and was building a factory to "liquidate" existing chemical weapons on Soviet territory once an agreement was reached.

Mr Gorbachev admitted a "certain asymmetry" in the numbers of troops under arms in Nato and the Warsaw Pact in Europe. The Soviet Union, he said, favoured "gradually" eliminating the imbalance in its favour.

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He said the Soviet Union was being supported in its economic and political reforms by other East European countries

He proposed that in the meanwhile the level of short-range missiles should be frozen.

In a keynote foreign policy speech delivered during his official visit to Czechoslovakia, Mr Gorbachev avoided mention of the embassy spying controversy which has soured US-Soviet relations before the visit to Moscow next Monday.

US has taken tougher stance on arms control

BY STEWART FLEMING

THE US has reportedly toughened a number of its positions on arms control before its visit to Moscow next week by Mr George Shultz, Secretary of State.

This does not appear to affect its negotiating position on intermediate-range nuclear missiles, which will be at the centre of Mr Shultz's discussions with Mr Edward Steavens, the Soviet Foreign Minister.

Arms control officials refused to comment formally on reports in the US press that one agreed that policy changes were not related to the INF talks and agreed the changes may well have been designed in part to rebut charges by domestic of until 1986.

He has also shortened the period during which Washington is prepared to abide by the Anti-Ballistic Missile Treaty by five years from the signing of a strategic arms accord instead

of rebuking by domestic of until 1986.

Call for more open minds at Vienna security talks

BY PATRICK BLUM IN VIENNA

THE SECOND session of the Vienna Conference on Security and Co-operation in Europe (CSCE) ended yesterday with East and West calling for return with a more open frame of mind when the meeting resumes after Easter.

Close speakers remained sharply critical, underlining the differing approaches of East and West. Western delegations pressed the Soviet Union and its allies on human rights, with Warsaw Pact countries placing more emphasis on military security and disarmament.

But delegates from both sides agreed the conference had moved on to a more positive footing. When the conference ends at the earliest this summer — it is likely to do so with a substantial concluding docu-

ment including arrangements for follow-up meetings.

Mr Yuri Kashlev, head of the Soviet delegation, used his closing speech to dismiss Western criticisms that there was little evidence in Vienna of the "new thinking" promoted by Mr Mikhail Gorbachev, the Soviet leader.

On military security, he reiterated his country's desire to reach an early agreement on a mandate for new talks on reducing conventional forces in Europe.

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S African mine safety queried after 34 deaths

By Anthony Robinson in Johannesburg

THE emotionally-charged question of safety on South African mines has arisen again after a methane gas explosion at the Gencor-managed Kromlech mine in the eastern Transvaal which killed 34 miners and injured 16 others on Thursday night.

Six of the injured, who are suffering from carbon monoxide poisoning, are in a serious condition. Eleven miners were killed in a similar accident at the same mine in November 1982.

A state of one-third along with Gencor in the Trans-Natal Coal Corporation which owns the mine.

The cause of the accident is still under investigation but amongst the three miners killed was an electrician and a fitter, indicating that a spark from faulty electrical equipment could have ignited the methane.

Mr Graham Thompson, managing director of Trans-Natal said that arms site inspections, or what he called "on-site verification," which was once rejected by Moscow, was necessary at all stages of nuclear disarmament.

It should also be made, he said, to include weapons factories, training areas, the military basis of third countries and even shooting ranges.

On relations between Comecon countries, Mr Gorbachev said their economies had run at "half performance" until now and would have to start operating "full bore" after social economic restructuring got under way.

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OVERSEAS NEWS

Japan reports record \$89.7bn trade surplus

BY CARLA RAPORT IN TOKYO

TRADE TENSIONS between Japan and the West were further strained yesterday as Japan reported a record annual trade surplus for fiscal 1986 of \$89.77bn (524bn) on the customs clearance basis.

The Ministry of Finance, however, was quick to point out that the effect of the high yen on exports was starting to show up in the country's trade figures. It reported that Japan's surplus \$88bn in March this year represented the first year-to-year drop in two years.

Nonetheless, the annual figures provide sober reading for countries aiming to boost imports to Japan and curb their trade imbalance with Tokyo.

Exports jumped nearly 15 per cent in 1986 to \$235bn while imports sagged 3.5 per cent to \$145bn despite a strong rise against foreign currencies in the year.

Japan's semiconductor and electronic component exports

— currently under the threat of sanctions by the US — soared by 47.1 per cent to nearly \$7bn. Automobile exports were up 19 per cent to \$42bn.

Japan's trade imbalance with the US hit a record \$52bn in fiscal 1985 on a customs clearance basis.

Trade with Europe increased strongly in the period, with both exports and imports up markedly. Even so, Japan's surplus with the EC grew to \$42bn in the year.

In yen terms, the trading picture looks less extreme.

According to the Ministry for International Trade and Industry, exports fell by 6.6 per cent to Y3.000bn in March, showing an overall drop in yen-based exports in 1986 of 16 per cent.

On the other hand, yen-based imports also dropped, largely because of lower commodity prices. Imports declined by 16 per cent to Y1.600bn in March for a full-year decline of 34.3 per cent.

Ruling party may fall in Fiji poll

By DALE HAYWARD in Wellington

WEEKEND VOTING in the Fiji election ends today with many observers and local polls indicating that the ruling Alliance Party could be toppled from office by the Coalition Party.

At best, the Alliance would have a small majority, according to predictions.

The election campaign has been marked by violence, including fire-bombing of the homes of two prominent Coalition members, the destruction of Coalition polling "sheds" on various islands, and many fights and clashes between supporters of opposing factions.

If elected, one of the Coalition's first acts will be to introduce an anti-nuclear policy, similar to that operating in New Zealand, which would ban nuclear-powered ships from Fiji ports.

The National Party also claims substantial support and its leader, Saseau Butaraki, predicts his party may hold the balance of power when the results are known early next week.

New Zealand interest rates up

By DALE HAYWARD

PRIME LENDING rates for New Zealand trading banks have risen to 23 per cent, with only one of the four banks, Westpac, half a point below at 22 per cent.

Bankers and financial houses have all increased their rates for mortgages, term loans and personal loans. Many house mortgages are now costing between 25 per cent and 30 per cent.

Oil rates on the short-term wholesale money are still around 26 per cent or 27 per cent, after dropping back from the high levels of 30 per cent to 50 per cent reached at the end of March and early April.

High interest rates in New Zealand continue to attract funds from foreign investors, while financiers predict that interest rates will remain volatile for some weeks.

Colombo calls ceasefire in battle with rebels

By ROBIN PAULEY, ASIA EDITOR

THE Sri Lankan Government yesterday announced a unilateral eight-day ceasefire in the battle against Tamil separatist guerrillas as the fighting begins to threaten international aid to the strife-torn island.

The Government said the ceasefire was likely, several before it, to enable the Sinhalese and Tamils to celebrate their New Year, which begins on Monday.

But it hopes that for once, the breathing-space might lead to progress in the search for a solution to the war which is devastating the local economy.

The World Bank and International Monetary Fund have agreed in principle Sri Lanka's \$2.5bn (\$1.25m) in structural adjustment and Compensation Financing Facility loan over the next two years. This will greatly support the island's troubled balance of payments.

The IMF was particularly anxious that the Sri Lankan Government should make efforts to reduce its burgeoning trade and budget deficit, and accepted that the three-year fiscal strategy outlined with last November's Budget statement was a significant step in the right direction.

However, it has again become clear during this week's meetings of finance ministers and central bankers in Washington that the IMF now doubts whether the budget strategy's targets can be met because of the continued fighting in Sri

UK NEWS

Government sell-offs strain SE systems

By Hugo Dixon

THE STOCK EXCHANGE has told the Government that its privatisation issues are straining members' settlement systems and has suggested a number of ways to support the problem.

Mr Michael Baker, head of the exchange's settlement division, said privatisation issues such as British Gas and British Airways have been followed by sharp peaks in share trading, dealing brokers' back offices with paperwork.

This has come on top of the sharp increase in share dealing since last October's Big Bang deregulation.

The exchange's central settlement system, Talsman, was matching 20,000 bargains a day pre-Big Bang. The figure increased to 30,000 in November, 40,000 in December and 60,000 in recent weeks.

There was considerable strain on systems and about 50,000 trades, equivalent to 25,000 bargains, were unmatched in the immediate Big Bang aftermath.

Brokers' staff managed to cut down the backlog by working over the weekends, but the latest increase in stock market activity has brought the problem back.

There were 28,000 unmatched trades yesterday evening, said Mr Baker, though he hoped the number would be cut to 20,000 by Monday. Talsman itself was working fine, but individual firms were stretched.

The exchange had at a result a number of meetings with the Trade and Industry Department and the Bank of England, at which it was pointed out that there was a risk of delaying privatisation issues at the same time.

One suggestion was the minimum size of share purchases in privatisation issues should be increased to cut out the large number of small deals. Another was that shareholders should not be allowed to trade for so long simply on the basis of their allocation letters, as this clogged up the system with paper.

Mr Baker said, however, that the exchange had asked the government to delay its privatisation issues until members could cope.

Another consequence of the settlement backlog had been the reluctance of brokers to take on private clients. Following Big Bang, several brokers started offering cut-price services for small investors but some of these had now been withdrawn and the charges of others increased.

The government has certainly made progress in the former sultante, which in earlier centuries dealt mainly with British, Portuguese and Dutch overlords.

Under the structure Midland's business sectors will be divided into three:

• Domestic retail banking, formerly Mr Paterson's sector, and corporate banking, will be headed by Mr Brian Goldthorpe. Within the sector Mr Peter Axtell, formerly of Hill Samuel, has been appointed personal financial services director. These will include the retail stockbroking business of Greenwell Montagu, which Midland created for Big Bang last year.

• The global banking sector, handling Midland's international customers and group representation in most foreign financial centres, will be headed by Mr Harve de Carmey.

Mr David Potter will head an integrated global corporate banking division within the sector. The sector will include Thomas Cook, Midland's travel subsidiary, chairman of which is to be Mr de Carmey.

• The investment banking sector will cover Midland's treasury and capital markets activities, as well as its wholesale banking operations in the US, Japan, Hong Kong and Australia. It will be headed by Mr Ernest Brutsche.

Mr Rudolfo Boghi has been appointed the sector's chief operating officer.

Other changes announced yesterday included the appointment of Sir Michael Fullifer, formerly of Midland, as its new chairman. Sir Kit will succeed him as chairman of Midland Montagu Holdings, the investment banking subsidiary.

Mr Lance Trevallyan has been appointed to the new post of head of asset and liability management to integrate group funding policy.

Sir Kit, who takes over as chairman from Sir Donald Barron at the end of this month, said the changes would strengthen Midland's business and enable it to cut costs substantially.

The main impetus for the study arose from the Peacock report on broadcasting published last year. This proposed that British Telecom and Mercury Communications, the telephone-network operators, should be allowed to act as common carriers.

The Treasury said later that it had noted their comments but that its position remained unchanged.

The inspectors, investigating a multi-million pound insider dealing ring, claim information from Mr Jeremy Warner, business correspondent of the Independent, is "crucial" to their inquiries. But last month, Mr Justice Hoffmann ruled that public interest in the protection of investors outweighed the value of disclosure.

The inspectors were investigating suspected breaches of insider dealing rules by civil servants within the DTI, the Office of Fair Trading and the Monopolies and Mergers Commission. They argued Mr Warner's sources could confirm evidence of one ring or support the possibility of a second ring before information by a third could confirm it.

When Mr Warner refused to identify his sources the inspectors went to the High Court, but Mr Justice Hoffmann found Mr Warner had a "reasonable excuse" for not revealing his sources.

Yesterday, Mr John Mummery, head of the inspectors, said their main criticism of the Herald was that the newspaper had to go to "prove Mr Warner's evidence is correct" for the prevention of crime.

Mr Mummery said the judge had expected the inspectors to have been told the "only" way the final death toll it likely to be at least 184, compared with estimates of about 134 at the time of the accident.

The final death toll was disclosed by Townsend Thoresen says some survivors appear to have been counted twice.

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Defence spending in 1986 was \$320m, nearly 10 times 1977 level. The Colombo Government warned yesterday that if the IMF and World Bank loans are not forthcoming import controls and queues for basic commodities might return to the island as the economy deteriorates even faster.

Golkar is expected to achieve a turnaround, in part helped by internal rifts in the PPP and a 1985 law forbidding parties from using any religion as a political rallying point.

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UK NEWS

Kevin Brown looks at the expansion of public transport services planned for the capital in the 1990s

London passengers see light at the end of the tunnel

SUDDENLY, there seems to be no limit to the ambitions of London's public transport planners.

The past few months have seen a flurry of announcements, speculation and old-fashioned leaks about how the capital's creaking public transport system might develop in the next decade.

This is in stark contrast to most of the 1980s, when the system appeared to be in terminal decline, and London sometimes seemed in danger of grinding to a halt under the weight of its own traffic.

Now the focus is on expansion as the various public transport bodies seek to maximise their share of the passenger transport market.

The reasons are complex, but they include an increasing awareness on the part of the planners of the growth of the market, and a more commercial approach by managers in the public sector.

This has been brought about by government insistence on efficiency and a switch in the subsidy regime from revenue support to capital.

Ministers insist that fares subsidies are not the best way of persuading passengers to use public transport, and that results tend to bear that out.

London Underground, for instance, has increased the annual total passenger journeys by 50 per cent in the last three years, while fares have risen

by more than the rate of inflation.

Mr David Mitchell, the Transport Minister, says the Government will give a sympathetic hearing to public sector investment proposals which meet its criterion of a 7 per cent return on capital.

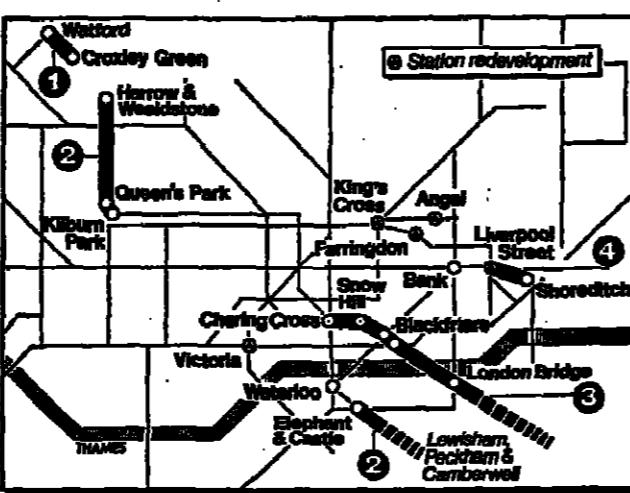
This has led to a switch of emphasis within transport organisations from finding ways of making existing systems cheaper to offering better and more extensive services.

The realisation by the transport operators that the Government means what it says in terms of requiring greater efficiency must be having some effect," said Mr Martin Higgins, senior lecturer in transport at London University's department of extra-mural studies. But he warned against hopes of a "golden age" for transport in London.

The list of proposals and potential developments is impressive and covers every form of public transport, both state-owned and commercial.

LONDON UNDERGROUND: Plans are being considered for extensions to four Tube lines—the Jubilee, Bakerloo, East London and Metropolitan—and a re-development at five key stations—Angel, Paddington, Victoria, King's Cross and Liverpool Street.

The importance of these proposals is twofold: they would extend Tube services into woefully underserved areas of south



1—Metropolitan Line: extension on Watford section to create interchange with Bakerloo Line at Euston. Kilburn and Harrow & Wealdstone. Extension beyond Elephant & Castle into Paddington area. 2—Bakerloo Line: extension between Queen's Park, Kilburn and Harrow & Wealdstone. Extension beyond Elephant & Castle into Paddington area. 3—Jubilee Line: extension from Charing Cross through Blackfriars to Waterloo & City Line and St. Paul's. 4—East London Line: extension northwards, probably from Shoreditch to Liverpool Street.

London such as Lewisham, Peckham, and Camberwell—and they would greatly improve the network of interchanges between different lines and British Rail.

BRITISH RAIL: One of the most significant improvements in BR services took place in May last year, when Inter-City trains from the north-west of London began running through Kensington Olympia, in north London, to provide the first

through services to the south-east.

The next significant improvement will come with the re-opening of the disused Snow Hill tunnel between Farringdon and Blackfriars this year.

There are also long-term proposals for a new station at St Paul's, probably under Ludgate Circus, to provide an interchange with the Central Line.

DOCKLANDS: The main transport developments in this

expanding area are being undertaken by the Docklands Light Railway, an independently-operated arm of London Regional Transport.

The first phase of the DLR, which runs for 7.5 miles from Tower Gate to stations at Poplar, Stratford, and the Isle of Dogs, is expected to open in July—assuming that recent problems with the rolling stock do not cause a delay.

Parliament has given approval already for a bill authorising a one-mile extension from Tower Gate to Bank, in the heart of the City.

In addition, LRT has applied for another bill seeking permission to construct a 4.5-mile eastern extension to serve 10 stations between Poplar and Beckton, providing an important stimulus for development of the Royal Docks area.

British Rail is also considering a £10m investment programme to improve services in the Royal Docks area by re-opening its services between the existing stations of the North London Line at Stratford and North Woolwich.

LONDON BUSES: This is the area where there is least cause for concern over privatisation.

Transporters will find themselves walking all too frequently for buses that never arrive.

Changes are taking place, however, in the working practices of bus crews and depots, and in industrial relations. The

workforce is clearly less willing to disrupt services.

The catalyst for change has been the introduction of route tendering, mostly in the sub-tube, which has introduced competition and concentrated the minds of both management and staff on what the future might hold.

An increasing number of mid and midibus services are also being introduced. One example is the partly private Chelsea Harbour Hopps between the new riverside development in Chelsea and Earl's Court.

TRAMS: LRT and BR are in the second phase of an investigation into the possibilities of operating a network of light rail services, with some of the tracks running alongside motor vehicles in the city streets.

COACHES: London desperately needs new facilities to replace the present inadequate terminals at Victoria, the Government recommended a site at Paddington, but a decision has been put off until after the general election.

TAXIS: An experimental taxi-sharing scheme is to be introduced in the summer between Heathrow airport and central London. The scheme is also likely to be established later at Waterloo, Paddington, Euston and King's Cross railway stations.

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Business debts action ruled out

By Ivor Owen

A FURTHER demand for legislation to give a legal enforceable right of interest when payment of debts to small businesses is delayed was rejected by Mr David Trippier, the small business minister, in the Commons yesterday.

He maintained that there was a "consensus of informed opinion" against the proposal but admitted that it did have some support.

Mr Trippier said that a change in attitude and practice offered the best solution to the problem of the late payment of debts and claimed that the voluntary code in the government publication Payment on Time had had a beneficial effect.

Mr Richard Ottaway (Con, Nottingham North) has led the campaign to secure legislation, suggested that the Government should put forward a recommended period for payment, possibly 60 days net.

Mr Britain is prepared to consider introducing concessional interest rates for the most impoverished countries in sub-Saharan Africa in a manner which does not affect their existing aid programmes. Mr Ian Stewart, Economic Secretary to the Treasury, stated in the Commons yesterday:

He did not specify the extent of the concession envisaged—3 percentage points below market rates according to an earlier US report—but stressed that other debtor nations with better economic prospects should not expect similar treatment.

Banks to reveal overdraft interest charges

By Ivor Owen

NEW CONSUMER protection by the Government will oblige banks to give a written notification of the interest rate charged when authorising overdrafts for their customers.

Ministers and officials of the Department of Trade and Industry and the Office of Fair Trading are also considering the possibility of ensuring that bank customers with overdrafts are given regular retrospective information about the interest charges incurred.

Mr Alan Clark, Trade Minister, told the Commons yesterday that the new obligation on banks to state the interest on arranged overdrafts stemmed from a European Community directive

approved in December 1986—it has to be implemented by January 1988.

He said that discussions were already in progress with the Committee of London and Scottish Banks.

Mr Clark disclosed that as part of a further government initiative, consideration was being given to taking administrative action under the 1974 Consumer Credit Act to secure the introduction of arrangements—probably through quarterly statements—which provided bank customers with retrospective information about the cost of overdrafts.

The Department of Trade and Industry, he said, was not aware of "serious consumer dissatisfaction" with existing overdraft arrangements.

Mr Janner protested that the practice of banks permitting their customers to enter into

unauthorised overdrafts and then imposing totally unjustified interest charges is unacceptable.

In one such case, he said, Lloyd's had admitted imposing interest at an annual percentage rate of 26.8 per cent.

Mr Clark responded to complaints by Mr Greville Janner (Lab, Leicester W) that some bank customers were being "ripped off" through excessive interest charges on overdrafts, ruled out any significant alteration to the scope of the exemptions.

The Department of Trade and Industry, he said, was not aware of "serious consumer dissatisfaction" with existing overdraft arrangements.

Mr Janner welcomed the steps announced by Mr Clark as "a start" but urged the Government to take legislative action if the banks did not accord their customers fairer treatment.

Sales up for building materials

By Jess Gray, Construction Correspondent

Britain's building materials producers expect to increase their output and investment this year following a rise in sales and output in 1986.

According to a survey from the National Council of Building Materials Producers, 58 per cent of materials companies reported a 5 per cent or greater increase in output in 1986 and 44 per cent expect output to grow by 5 per cent this year.

"Company managements were generally optimistic about their 1987 business prospects," the survey concludes, "and investment generally is expected to increase over the next calendar year."

The market where companies saw strongest growth was private sector housebuilding, where BMP members sell everything from kitchen furniture and drains to bricks and bathrooms.

The companies which reported the strongest growth in 1986 should be called "to consider adopting the principles of industrial action, if the Government's refusal to implement the full recommendations of the review body on nurses' and midwives' pay."

Yesterday's vote reflected nurses' growing frustration that their pay over recent years had been better than they had expected. The poorest performance came from the manufacturers of aggregates, cement and concrete—only 40 per cent reported that the year had been better than forecast.

Rolls-Royce 'may collapse after sell-off'

By Tom Lynch

ROLLS-ROYCE, the state-owned aero-engine manufacturer, may face a collapse soon after its forthcoming privatisation similar to that which preceded its nationalisation in 1971, the Commons heard yesterday.

Mr David Nellist (Lab, Coventry south-east) said the company's "piratisation" was taking place against a background of problems with the company's V-2500 engine, intended for a European A320 Airbus, and its fuel efficient Superfan variant, intended for the A340.

He drew a parallel during the short debate on the company's future between the current situation and the problems with

the RB211 engine which led to the 1971 collapse.

The company would also be forced to give up short-term "rip-off" and would suffer from increasing protectionist pressures in the US he said. There would be pressure on Pratt and Whitney and General Electric, the company's US competitors, to squeeze Rolls-Royce out of the world aero-engine market.

Mr Nellist challenged the Government to say whether this uncertainty was one reason why it had not staged a full Commons debate on the privatisation.

Mr Alan Clark, Trade Minister, accused Mr Nellist of longing for a world recession to

which his "extremist" views told him was inevitable. "You are becoming obscurant and your own knowledge of your fate is what makes your rhetoric so abominable," he said.

Mr Clark said the company had a wider spread of interests than in 1971, when its fate had been determined by the development of a single engine. It could now grow in several directions and ride out any problems which might occur with one of its projects.

Mr Nellist attacked the Government for failing to give retired employees better treatment in the forthcoming offer for sale, writes Richard Rommick.

Mr John Ewen, chairman of the Rolls-Royce Retired Managers Association in Coventry, said Rolls-Royce staff were being given generous concessions in the share offer whereas pensioners would only receive a priority allocation of shares at the full price.

"This means a worker who has been with the company one year can pick up a tidy handout while pensioners who have worked hard to drag Rolls-Royce out of the traumas of 1971 and helped make it a household name across the world are virtually ignored. So much for lifetime company treatment."

Weekend, Page XVI

Yuppies desert the beach in favour of weekend flying visits

David Churchill on the rapid growth of short-break holidays

breaks in Europe has doubled over the past five years.

"Without doubt it is the young, impulsive decision-makers who are at the forefront of this trend," she said. "They don't have the time or the inclination to lie in the sun for a couple of weeks and then want to go to a quick trip to a European city."

Paris is still the favourite destination, although the Italian cities of Rome, Venice and Florence are catching up fast.

Demand is such that Travel-Scenes has recently launched a special classic holidays pro-

gramme aimed at business and professional holidaymakers who want—and can afford—a more up-market break at top European hotels.

Euromonitor says this is in line with the trend towards short-break holidays that are "a measure of" rather than "a measure of" nature.

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Weekend breaks and day trips: Euromonitor Publications, 87-88, Turnmill Street, London, EC1 2SS.

Euromonitor says that

while most holiday camps at Butlins and Pontins cater for the main holiday market, the potential for short-break holidays has been increasingly exploited.

Warren's holiday camps, which tend to be smaller than those operated by Butlins or Pontins, have been one of the pioneers of short-break holidays.

Easter looks likely to be one of the busiest times for the short-break market this year. "We're sending 16,000 people away this year, up 20 per cent on last year," said Mr Roger Connell, managing director of Connell's Holidays.

On the plus side, the review body on nurses' and midwives' pay has been fully implemented.

However, successive speakers have argued that they were still firmly against strike action or putting patients at risk, and the motion's careful phrasing fails to commit the union to an extraordinary meeting to a vote on specific industrial action.

The tone of the debate was

LABOUR NEWS

Tribunal backs sacking over AIDS fears

By JIMMY BURNS, LABOUR STAFF

AN INDUSTRIAL tribunal has upheld the dismissal of a homosexual employee, sacked because his colleague feared they might contract AIDS from him.

It is thought to be the first such decision and was yesterday described as "spelling" by Mr Terry Murray, an employment law specialist. Union officials said they would appeal.

Last month, the first UK conference to inform employers about AIDS heard that legislation could prove inadequate in protecting employees facing discrimination because of the disease.

The unfair dismissal case

was brought by the Broadcasters and Entertainment Trade Alliance on behalf of Mr Michael Buck, a cinema projectionist in Letchworth, Herts.

The tribunal held that Mr Buck's way of life exposed him to an "above average risk" of contracting AIDS and he knew that other people would tend to associate him with AIDS.

It said Mr Buck had shown that he was a homosexual and was frequently at Oxford Circus underground station, a notorious haunt of homosexuals.

The tribunal said this was not a case in which an employer had taken notice of unreasonable prejudice on the part of their employees and dismissed the employee accordingly. Such cases would be subject to appeal under employment legislation.

Mr Murray commented:

"This ruling flies in the face of all government guidelines.

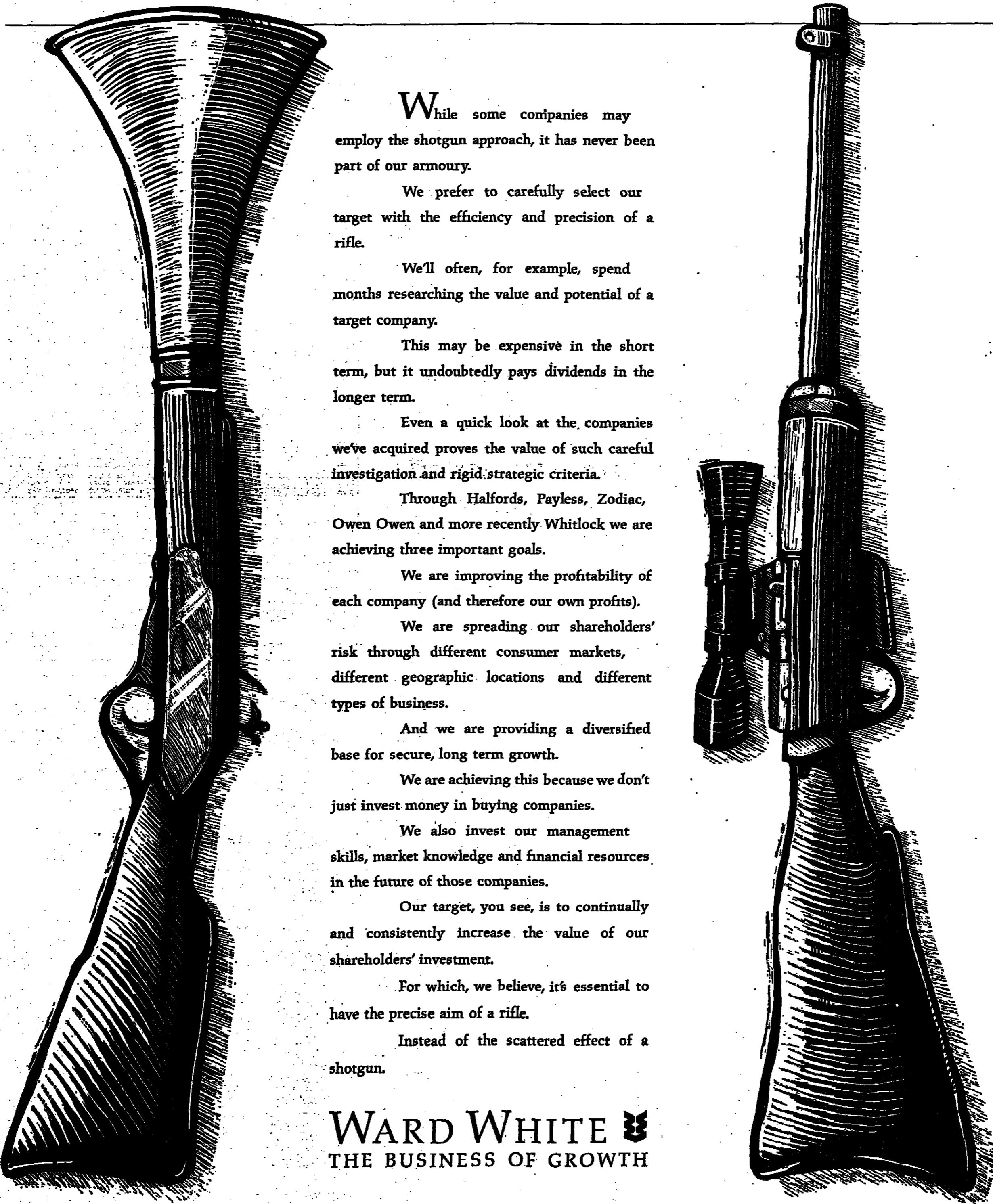
It gives the green light for employers to sack and dismiss workers.

In his original application to the court, Mr Buck said he had

been dismissed without warning after 17 years' employment. He thought he was dismissed because he was homosexual and was a union member.

Recent local newspaper pub-

WHICH ONE DO WE USE WHEN WE'RE HUNTING FOR NEW ACQUISITIONS?



While some companies may employ the shotgun approach, it has never been part of our armoury.

We prefer to carefully select our target with the efficiency and precision of a rifle.

We'll often, for example, spend months researching the value and potential of a target company.

This may be expensive in the short term, but it undoubtedly pays dividends in the longer term.

Even a quick look at the companies we've acquired proves the value of such careful investigation and rigid strategic criteria.

Through Halfords, Payless, Zodiac, Owen Owen and more recently Whitlock we are achieving three important goals.

We are improving the profitability of each company (and therefore our own profits).

We are spreading our shareholders' risk through different consumer markets, different geographic locations and different types of business.

And we are providing a diversified base for secure, long term growth.

We are achieving this because we don't just invest money in buying companies.

We also invest our management skills, market knowledge and financial resources in the future of those companies.

Our target, you see, is to continually and consistently increase the value of our shareholders' investment.

For which, we believe, it's essential to have the precise aim of a rifle.

Instead of the scattered effect of a shotgun.

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Saturday April 11 1987

No sunshine in Washington

A "WEAK response to a worsening situation" was reportedly the reaction of Mr Giovanni Gorla, the Italian finance minister, to the Group of Seven communiqué that followed this week's Washington talks. Mr Gorla has since modified his position, expressing support for the agreement even if he remains less sanguine than Mr James Baker, the US Treasury Secretary, who claims that the leading industrial nations have found a "more solid basis for sustained growth and international financial stability."

The fall of the dollar since the publication of the communiqué and the hectic selling on bond and equity markets, however, suggest that traders and investors sympathise strongly with Mr Gorla's off-the-cuff assessment. The markets are becoming increasingly conscious that the US emperors have few, if any, clothes.

The fickleness of state ministers which merely assert commitment to economic cooperation and command currency stability when external imbalances are unchecked is becoming evident even to card-carrying optimists. The markets would not care if the finance ministers hated each other, provided they individually agreed to pursue policies likely to solve the world's outstanding problems. At it is, the combination of a falling dollar and rising US interest rates lends some credibility to the prediction by Mr Stephen Morris as long ago as 1985 that the US would eventually face an adjustment of Latin American proportions.

About-turn

In Washington, even the veneer of amicable co-operation presented in Paris two months ago began to crack. The Western ministers shamelessly picked on the Japanese this week—and not just behind closed doors in the IMF building. Tokyo's trade and monetary policies were singled out in a special comment in the communiqué itself; and although the comment was favourable the implication was that Japan, more than anybody else, has been dragging its heels.

This is a curious about-turn from last autumn when West German intransigence was under fire and Mr Baker and Mr Kichio Miyazawa, the Japanese finance minister, unveiled a bilateral currency pact. Now, except by diplomatic exploitation of the present trade friction with Japan, has West Germany got itself out of the doghouse? It is certainly not by generating an unexpectedly vigorous economic expansion.

Indeed, the IMF economic forecasts released this week

AT FIVE o'clock on Thursday evening the longest running and most convoluted takeover battle in recent British corporate history—a saga that has dominated the headlines for a decade—suddenly gained a whole new lease of life.

Mr Paul Channon, the Trade Secretary, announced the appointment of inspectors to investigate the affairs of House of Fraser, the stores group which has Harrods as its flagship and which was taken over in 1985 by the Egyptian Al-Fayed family in controversial circumstances.

The £615m takeover of Britain's biggest department store chain was permitted by the Government despite the strenuous objections of Lonrho, the multi-national conglomerate headed by Mr Tiny Rowland, which had laid siege to House of Fraser ever since 1977. And over the past two years Mr Rowland has pursued an extraordinarily single-minded campaign designed to force the Government to re-arrange the issue relating to the Monopolies Commission.

Mr Channon has instead taken the route of an inspector's report but his decision was nevertheless a cause of jubilation in the Lonrho camp, where it was seen as a victory for Mr Rowland. He has repeatedly alleged that the Al-Fayed's achieved the takeover on the basis of false information about their financial position and the source of the money used for the bid, which, he claimed, involved funds from the Sultan of Brunei. The Al-Fayed's, for their part, have consistently denied the allegation and the two sides are already locked in a series of court battles on the issue.

The appointment of inspectors cannot be assumed to necessarily provide any support to the Lonrho case. Indeed, the terms of reference given to the inspectors—to look in particular at the circumstances surrounding the acquisition of shares in House of Fraser pic in 1984 and 1985—suggests a strict neutrality between the parties. Lonrho buying and selling of shares of other shares during this period will also be under the microscope—including its sale of a 29.9 per cent stake in the stores group to the Al-Fayed's, which, ironically, gave them the platform they needed to launch the bid.

Why has the Government moved now, so long after the event? The answer appears to be the persistence of 68-year-old Mr Rowland, a man with an extraordinarily strong personality who over the past started of a career that has built his construction business into a major multi-national. Its interests include mining, newspapers (the *Observer* and *Today*), hotels and casinos, and motor distribution.

Over the past nine months he has presented voluminous documentation to the Department of Trade to support his demands for a reference. And

throughout his campaign, he has fired off an extraordinarily spleenetic series of letters to Government Ministers, MPs, the Press and Whitehall officials.

Such of these have presented some to a torrent of ill-contained anger as to be barely comprehensible. Others have been intended so that they will not be seen and new friends in high places for a man who has never entirely been able to brush off Edward Heath's crack in the early 1970s that Lonrho was the "unacceptable face of capitalism."

Mr Rowland has enclosed with some letters a curious collection of documents meant to cast doubt on the Al-Fayed's credibility—in one instance even a photostat impression of the sole of someone's foot, apparently supposed to be that of an Al-Fayed. Not only does all this have had some effect, but it has had some effect.

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APPOINTMENTS

New City supervisor at DTI

Mr Robin Mountfield is to head the key section of the DEPARTMENT OF TRADE AND INDUSTRY which deals with City matters, among other things, writes Hazel Duff. Mr Mountfield, a deputy secretary, will take up his new appointment on April 21. He will take charge of the consumer affairs division, financial services division, companies division, information division, insolvency service, and insurance division. He succeeds Mr John Caines, who is to become permanent secretary of the Overseas Development Administration.

Mr Caines' promotion has been the starting point for a major reshuffle at the deputy secretary level in the DTI. The industry section of the DTI (responsible for electronics and aircraft) will be directed by Mr Ray Williams, succeeding Mr Mountfield. His post as head of general external trade policy and European Community matters will be taken by Mr Christopher Roberts. Mr David Bell, who currently heads the investment and development section (including the City), takes the trade job, and is succeeded by Miss Elizabeth Llewellyn-Smith.

Her job as deputy director general at the Office of Fair Trading goes to Mr Tony Lane (currently international trade policy), who is to be succeeded by Mr Tony Hutton. Mr John Cooke will take over from Mr Hutton as head of overseas trade division 2.

Mr Robert Milnes has been elected a non-executive director of EUROTUNNEL. He is a managing director of British Petroleum.

Mr Michael Dix has been appointed a director of RAKER HARRIS SAUNDERS, and director in charge of the company's newly-formed financial services division. He has joined from Morgan Grenfell Laurie, where he was an associate director in the financial services department.

Mr Norman Ireland has been appointed to the board of THE SCOTTISH HERITABLE TRUST as a non-executive director. He is chairman of Bowater.

Mr R. E. (Bob) Liddett has been appointed a non-executive director of MATTHEW HALL ENGINEERING HOLDINGS, whose board determines strategy

and policy for the oil, gas and chemical sector of Matthew Hall. He is chief executive of The Coverdale Organisation and was until recently a managing director of Easex UK.

The MERCANTILE AND GENERAL REINSURANCE COMPANY has appointed as assistant general manager Mr R. Sansom.

COALITE GROUP has appointed Mr Alasdair Chalmers as managing director of the Dundee, Perth and London Shipping Company. Mr J. M. Chalmers will continue as deputy chairman until June 30 when he will become a non-executive member of the board.

GOTA (UK), wholly-owned subsidiary of GÖTTSCHE, has appointed Mr Stephen Lamb and Mr Charles Vite—London (tax) and Mr David Fennington—Manchester, as managing directors of the Göttsche group.

Mr J. Michael Taylor has been appointed finance director of HICKSON INTERNATIONAL in succession to Mr George Rutherford, who will undertake special consultancy duties following his retirement from the board on April 30.

Mr Peter Mansen, COMPAC's technical director since the company was formed in the UK in April 1984, has been appointed UK sales director. Mr Joe Shirn becomes technical director.

Mr Simon S. Wilder has been appointed managing director of RACAL COMMUNICATIONS and joins the board of the Racial Radio Group. He joins Racial from International Signal and Control where he was a member of its parent board and managing director of UK operations. Mr Martin Richardson, chairman of the Racial Radio Group, relinquishes the post of managing director of Racial Communications on Dr Wilder's appointment.

PEAT MARWICK MCINTOCK has appointed Mr Alasdair Chalmers as managing director of the Dundee, Perth and London Shipping Company. Mr J. M. Chalmers will continue as deputy chairman until June 30 when he will become a non-executive member of the board.

MIKAMATE HOLDINGS has appointed Mr Peter Shum to the newly-created post of franchise director. He was managing director of the Zoccol group.

Mr J. Michael Taylor has been appointed finance director of HICKSON INTERNATIONAL in succession to Mr George Rutherford, who will undertake special consultancy duties following his retirement from the board on April 30.

Mr Charles A. Savage, has been appointed managing director of THOMAS KIRKFOOT & CO.



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(We also know when a quiet chat would be more productive)

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CONTRACTS

Over £10m for Nuttall

EDMUND NUTTALL has been awarded the Peasey Parkway, Stage 1 Baxtersgate contract in Great Grimsby, value £20.5m, by Humberside County Council. The work will provide a carriageway between Damsgate and Victoria Street running along the River Foss and across the River Don and Estuary. The scheme comprises construction of 500 metres of urban single and dual carriageway with traffic signal-controlled junctions and drainage works.

Two contracts for Rosehaugh Estate have started. The Rosehaugh development, Phase 4, £27.65m, where Bovis Construction is the management contractor, involves the construction of 100 flats and 20 houses. The contractor, Bovis Construction, has started the 200m 40-week contract involves excavation of platforms at the country end of Liverpool Street Station, foundations to support the new 12-storey building and rebuilding of platforms, including underpinning and enhancement of columns.

A contract for the surface treatment of Dukes Dock and East Wapping Basin at Kings Waterfront, value £290.217, for Merseyside Development Co. has started recently with a 20-week contract period to resurface 5,800 sq metres of road, car parking, hard landscaping and small areas of land.

The Brighton Marine Palace and Pier Co has awarded a £20.5m contract to replace deck support trusses and decking on the pierhead in preparation for construction of the dome.

Authority. Work has started on the 58-week contract. It includes excavation of a sludge settlement lagoon with a sheet pile cut-off and pumping station draw down chambers.

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A contract, value £1.07m, to construct the Perry Oaks sludge lagoon, Billingham, has been awarded by Thames Water

to Mears Contractors, building subsidiary of Edmund Nuttall.

The building was awarded the £2m Crown Office contract at Dartford by the Property Services Agency.

The building is to be of three-storey reinforced concrete frame construction with brickwork elevation and a pitched slate roof. Also in the south-east is an award for extensions to Sunblest Bakery, where a £200,000 contract is to be carried

out in Walthamstow for H. W. Nevill (Sunblest).

CABLE AND WIRELESS and the Government of Montserrat have signed a new agreement extending Cable and Wireless' existing telecommunications franchise for the next 20 years. The group plans to spend £7.5m on installing a digital telephone system in Montserrat to be ready for service in September.

ECONOMIC DIARY

TODAY: Tenth round of Soviet-Chinese talks on normalisation of relations in Moscow.

TOMORROW: National Savings monthly report (March). Mr George Shultz, US Secretary of State, visits Finland on the way to Moscow.

MONDAY: Producer price index numbers (March—provisional). Mr Shultz begins four-day visit to Moscow to discuss nuclear arms and possible superpower summit. Assistant Masters and Mistresses Association annual conference in Harrogate (until April 19).

TUESDAY: EEC Economic and Social Committee in plenary session in Brussels. Index of output of the production industries (February). The Industrial Society conference "Is the City poaching the high flyers?" in London. Manpower Services

Commission launches job training scheme at the Barbican. The annual poll, Hong Kong and Shanghai Bank extraordinary meeting.

WEDNESDAY: Cyclical indicators for the UK economy (March). Institutional investment market statistics: unemployment and unfilled vacancies (March—provisional); average earnings (February—provisional); employment, hours, productivity and unit wage costs; industrial disputes.

THURSDAY: Public sector borrowing requirement (February). CBI/FT survey of distributional trade (end-March). Mr Shultz briefs NATO foreign ministers on his Moscow trip.

FRIDAY: US due to put into effect US\$300m worth of tariffs on Japanese electronics exports

GRANVILLE SPONSORED SECURITIES

High	Low	Company	Price	Change	div.(p.)	%	P/E	Gross Yield
161	118	Asa. Brit. Ind. CULS	157.4d	0	7.3	4.6	3.5	
162	121	Asa. Brit. Ind. RHODES	163	0	10.3	8.1	—	
80	64	Armitage, Potts & Rhodes	38	0	4.2	11.7	17.2	
220	182	BBB Design Group (USM)	75	-1	1.4	1.8	25.2	
120	105	Broadbridge Group	220	-1	4.5	2.6	10.4	
76	65	Brown Technologies	130d	+5	2.9	2.2	9.5	
126	105	CCL Group Ordinary	134	0	—	—	—	
107	95	CCL Group 10pc Conv. Pf.	101	0	15.7	15.5	—	
221	115	Carborundum Ordinary	270	0	10.7	4.0	11.7	
94	80	Carborundum 7.5pc Pf.	84	0	10.7	11.4	—	
125	110	George Blair	84	0	4.7	5.0	7.5	
176	111	Ials Group	122	0	18.3	—	—	
125	101	Jackson Group	125	0	6.1	4.9	6.5	
277	250	Jones Brothers	347	-1	17.0	4.6	10.3	
100	85	James Bamford Group	35	0	12.8	13.8	—	
106	92	Matchless NV (Amersf)	570	-5	—	—	35.1	
320	280	Record Ridgway Ordinary	363	0	—	—	6.5	
91	57	Record Ridgway 10pc Pf.	85	0	14.1	16.4	—	
90	30	Scrutons	90	0	—	—	—	
154	87	Torday and Carlisle	154	0	5.7	3.7	5.5	
340	322	Travels Holdings	225	0	7.3	2.4	9.5	
121	91	Unilever Holdings (SE)	98	0	2.3	15.8	—	
200	180	W. G. Alexander	123	0	8.0	3.7	12.3	
200	180	W. G. Venner	183	0	17.4	9.0	18.3	
103	67	West Yorks. Ind. Hosp. (USM)	105	+5	5.8	5.3	15.0	

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Steady progress at Dresdner Bank

BY HAIG SIMONIAN IN FRANKFURT

DRESDNER BANK, the second biggest bank in West Germany, increased its partial group operating profits by 4.3 per cent to DM 1.85m (US\$855m) in 1986 and is making a one-for-18 share issue.

The bank, which is paying an unchanged DM 10 a share dividend, raised group assets to DM 19.6bn from DM 18.5bn last year.

Mr Wolfgang Roeller, Dresdner's chief executive, did not disclose the bank's full operating profits, but said there had been a further improvement on last year's figure which "clearly exceeded DM 2.5m."

Dresdner has just sold an 8 per cent stake in Metallgesell-

shaft, the metals group, to the Wallenberg Group of Sweden in a deal worth up to DM 135m at market value.

The bank gained a stake of about 35 per cent in Metallgesellschaft when it exercised its right of first refusal on the outstanding half-share in GMW Gesellschaft fuer Metallwerke, which it did not already own.

The reduction in its share of Metallgesellschaft to 25 per cent was made "in agreement with the company," said Mr Roeller.

Interest income at Dresdner rose to about DM 2.7bn thanks to increased volume on a maintained average interest margin. Meanwhile, the bank's communi-

cation income jumped by 17 per cent to almost DM 1.2bn, thanks partly to a rise in new issue business. Foreign exchange dealings also improved, and the bank is expanding its treasury operations, notably in London.

Loans to customers rose to DM 70bn at group level and surpassed the DM 50bn mark for the first time at the parent bank, said Mr Roeller. Domestic long-term borrowing had climbed particularly strongly, while figures for borrowing abroad had declined slightly owing to the fall of the dollar.

Dresdner's group resources went up by DM 1.5bn to "a considerable sum" may even say excellent" DM 6.7bn, said Mr Roeller. Some DM 210m is being transferred at group level to the bank's open reserves, while Dresdner has also substantially increased its risk provisions for loans to problem country borrowers.

On the deposit side, savings accounts notched up a particularly large increase of more than 20 per cent to reach over DM 16bn.

Mr Roeller emphasised Dresdner's liabilities management, and notably the use of banks in the Euromarket. The bank appreciated regulators' wishes to supervise the business, but it hoped for a position "which will not handicap German institutions," he said.

James Capel buys seat on Manila SE

BY RICHARD GOURTY IN MANILA

JAMES CAPEL, the London stockbroker, has bought a seat on the Manila Stock Exchange, becoming the first British-based broker to gain direct representation in the Philippine market since President Corazon Aquino came to power in February 1986.

The Hong Kong-based First Pacific group bought a seat last October and three other foreign firms already held seats.

Capel paid 1.2m pesos (\$59,000) for the seat on the Manila exchange, which accounts for more than two-thirds of the country's stock trading, ahead of the rival Makati exchange.

The purchase direct from the exchange followed the collapse last week of protracted talks among the Philippines, London Bourse Securities, a local broking firm. When these started in 1985 the turnover on the two exchanges averaged around 500,000 pesos a day. Volume in recent weeks has surged as high as 150m pesos although interest is still concentrated in a few shares.

Prospects of an economic recovery and falling interest rates have driven speculative money into the exchanges, brokers say.

Capel has been actively pushing portfolio investors to look at the Manila markets on the grounds that market potential is good and price/earnings ratios for leading companies like Philippine Long Distance Telephone are low by international standards.

Rhone Poulenç downturn

BY GUY PARIS STAFF

RHONE POULENC, the French state-owned chemicals group yesterday confirmed that it made net profits of FFr 20.1m (US\$3.1bn) last year, compared with FFr 2.13m in 1985.

Turnover is reached FFr 52.89bn, a drop of 6.1 per cent from the previous year's figure, or 6.4 per cent with a comparable structure.

Further provisions have been included for the first time to cover early retirement payments. Net profits for 1985 have been restated to include the comparable provision.

Korean Shipbuilding seeks receivership after dispute

BY OUR FINANCIAL STAFF

KOREA SHIPBUILDING and Engineering, South Korea's third largest shipbuilder, sought court receivership yesterday with debts of unspecified size.

The Trade Practices Commission, although it did not contest the shareholding, said in Canberra that this level of managerial involvement would breach monopoly provisions.

Instead Mr Ken Cowley, News managing director, may become a director of Northern Star's television subsidiary which holds the Channel Ten stations bought from Mr Murdoch.

Murdoch move blocked

By Our Financial Staff

AUSTRALIAN regulatory authorities have prevented Mr Murdoch appointing a representative to the board of Northern Star Holdings, the emergent national media company in which his News group is to take a 15 per cent stake.

The Trade Practices Commission, although it did not

contest the shareholding, said in Canberra that this level of managerial involvement would breach monopoly provisions.

Instead Mr Ken Cowley, News managing director, may become a director of Northern Star's television subsidiary which holds the Channel Ten stations bought from Mr Murdoch.

Sir YK shifts control of Hongkong Realty

BY DAVID DODWELL IN HONG KONG

SIR YUE-KONG PAO, the Hong Kong property and shipping magnate, yesterday shifted control of Hongkong Realty and Trust, a cash and property shell, from Wharf Holdings, his main property operating subsidiary, to Wharf International, his ultimate holding company.

Wharf Holdings will receive HK\$454m (US\$85.5m), in cash, and Wharf shares worth about HK\$11.5m being distributed to Wharf shareholders.

The deal exploits Hongkong Realty's two-tier share structure. World International is increasing its voting control of Realty by purchasing from Wharf its holdings of B shares in Realty. These shares carry equal voting rights to A shares, but have a nominal value that is substantially lower.

Controversy has raged in Hong Kong's stock market in

the past two weeks over B shares, and the regulatory authorities moved this week to outlaw new issues of that type.

That followed an attempt by Jardine Matheson, Hong Kong's oldest trading group, to create B shares as a means of insulating itself from takeover attempts during a period of planned expansion. The Jardines move was set to trigger an avalanche of copycat issues.

World's reorganisation comes after more than a year during which Sir Y. K. had to dispose of non-core assets in Wharf—particularly those acquired as a result of a successfully contested takeover in 1985 of the Wethcock Marden trading group.

Hongkong Realty, acquired as a result of the Wethcock

takeover, comprises cash

amounting to about HK\$1.3bn

and a small residential property portfolio. Wharf has owned A and B shares amounting to 56.7 per cent of Realty's capital and 63.3 per cent of the voting rights.

Analysts have argued for some time that Wharf could make better use of Realty's cash resources. Yesterday's proposal appears to be intended to achieve this end.

World has agreed to buy all the Wharf B shares owned by Wharf, and those A shares it needs to lift voting control to 35.1 per cent. It is offering HK\$1.9 for every A share and HK\$4.2 for each B share—which involves premiums of about 27 per cent and 37 per cent respectively from the prices at which Realty shares were suspended on Tuesday.

Those Realty shares remaining in Wharf's hands after the

deal with World is complete will be distributed to existing Wharf shareholders. If proposals by Realty for a three-for-two scrip issue are approved, the distribution will involve one new share for every 10 now held.

After benefiting from the distribution by virtue of its 40.1 per cent controlling stake in Wharf, World will hold about 32 per cent of Realty shares and about 47 per cent of voting rights.

World International, of which Sir Y. K. holds about 70 per cent, will fund the acquisition out of its own resources. Long-term debts were estimated at the end of 1986 at a modest HK\$600m, and after yesterday's deal—which should be completed within a week—this will be reduced further.

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WEEKLY PRICE CHANGES

1986/87

Latest price per unit or unit stated

Change on week

Year ago

High

Low

1986/87

Latest price per unit or unit stated

Change on week

Year ago

High

Low

1986/87

Latest price per unit or unit stated

Change on week

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FOREIGN EXCHANGES

Dollar continues to fall

THE DOLLAR fell to a record low against the yen as traders continued to show their disappointment over the recent G-7 meeting. Heavy intervention by the Bank of Japan, followed by limit dollar support from the Bundesbank, Bank of France and other central banks, had little real and real effect. Initially speculators had sold the dollar in view of the lack of commitment shown by many central banks. However, even open support failed to have the desired effect because past events have shown that intervention can only affect the pace of currency movements and not the direction.

Against this background the dollar fell to an all time low of Y141.50 before closing at Y142.45 from Y142.70 on Thursday. Against the D-Mark it slipped to DM1.8655 from DM1.8635 and SF1.4950 from SF1.4935. Against the franc it fell to FFr1.61 from FFr1.6275. On Bank of England figures, the dollar's exchange rate index fell from

101.6 to 100.7 its lowest level for six years.

Sterling was slightly weaker overall with a closing exchange rate index of 72.1, unchanged from the opening but slightly down from 72.2 on Thursday night.

Against the dollar it rose to \$1.6265 from \$1.6180 but eased to \$1.6250 from SF1.925 and Y231.75 from Y234.0. Elsewhere it closed at SF1.4235 from SF1.425 and FFr1.7750 compared with SF1.8250.

D-MARK—Trading range against the dollar in 1987 is 1.8355 to 1.8770. March average 1.8355. Exchange rate index 146.5 against 142.3 six months ago.

The D-mark continued to improve against the dollar in Frankfurt yesterday despite further intervention from the German central bank. There was no support given by the Bank of France and the Bank of England. Despite further speeches by leading officials, market sentiment remained depressed with few

traders expecting the dollar to avoid further depreciation in view of the large budget deficit in the US.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 162.25. March average 151.41. Exchange rate index 222.9 against 215.5 six months ago.

Heavy intervention by the Bank of Japan failed to stop the dollar from falling to record levels in Tokyo. Selling was widespread as traders showed their disappointment and lack of confidence in 6-7 nations to achieve currency stability. The dollar touched a record low of Y142.30 before closing at Y143.55 in New York and Y145.40 in Tokyo on Thursday.

The dollar's decline was accelerated by a general feeling that the US administration was not entirely pleased with the fall despite what some officials may have said recently to the contrary.

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BRITISH FUNDS

BRITISH FUNDS—Contd										
Yield Int. 1 Rec. (\$)	1967		Stock	Price £	+/-	Div \$	Int.	Rec.	Yield	
1968	High	Low								
Index-Linked										
(1)										
6.52	11.64									
10.80	9.78	129	124/125	196c 20c '68	(297.11)	129	-1		2.5	
3.04	7.80	114	108/112	Do. 20c '68	(331.97)	114	-1	1.5	2.5	
11.64	9.38	94	93/95	Do. 20c '68/22c '69	(355.81)	95	-1	2.2	2.9	
7.83	9.15	128	117/125	Do. 20c '68	(267.91)	127	-1	1.0	3.4	
10.38	9.31	111	108/115	Do. 20c '68/81	(308.68)	109	-1	1.3	1.5	
9.71	9.31	110	99/105	Do. 20c '68/81	(510.71)	108	-1	1.2	1.5	
1.14	7.02	113	113/125	Do. 20c '68	(274.11)	111	-1	3.2	3.49	
6.46	9.27	108	97/105	Do. 20c '68/81	(310.71)	106	-1	3.2	3.45	
11.09	9.27	113	104/112	Do. 20c '68/81	(294.11)	111	-1	3.2	3.41	
1.47	9.33	95	85/95	Do. 20c '68/81	(351.91)	95	-1	3.2	3.37	
3.25	6.98	105	92/105	Do. 20c '68/81	(222.01)	101	-1	3.0	3.33	
10.27	9.33	101	92/105	Do. 20c '68/81	(267.31)	99	-1	3.1	3.25	
9.87	9.36	96	84/95	Do. 20c '68/81	(210.85)	94	-1	3.1	3.25	
10.65	9.37	96	84/95	Do. 20c '68/81	(210.85)	94	-1	3.1	3.25	
5.36	7.80	Prospective real rate of return on projected inflation of (1) 10% and (2) 5%.								
9.90	8.49	(1) Figures in parentheses show RPI base month for inflation 8 months prior to issue, RPI for August 1968: 382.9 and for March 1967: 100.6 (reduced to 100 January 1967 conversion factor 3.945).								
11.94	9.24									
10.46	9.29									
11.57	9.28									
3.37	7.05									
1.29	8.86									
9.61	9.34									
2.59	6.76									
10.45	9.36									
6.15	7.89									
1.48	9.34									
7.97	8.70									
10.37	9.33									
11.29	9.32									
9.73	9.31									
10.62	9.36									
10.99	9.46									
11.55	9.50									
9.73	9.38									
10.94	9.46									
6.45	7.81									
11.44	9.34									
11.61	9.48									
11.28	9.59									
9.45	9.37									
10.85	9.52									
9.12	9.23									
10.55	9.50	109	105/110	African Dev. 20c '68		106	-1	10.36	10.24	
3.79	8.35	105	104/110	African Dev. 20c '68		105	-1	9.99	9.63	
1.57	9.70	112	104/110	African Dev. 20c '68		112	-1	10.43	10.11	
10.37	9.33	116	101/110	African Dev. 20c '68		113	-1	10.17	10.09	
11.29	9.32	125	101/110	African Dev. 20c '68		120	-1	10.21	10.02	
9.73	9.31	126	97/105	African Dev. 20c '68		125	-1	9.85	9.73	
10.62	9.36	109	104/110	African Dev. 20c '68		104	-1	10.21	10.14	
10.99	9.46	114	104/110	African Dev. 20c '68		114	-1	10.26	10.18	
11.55	9.50	121	104/110	African Dev. 20c '68		121	-1	10.29	10.22	
9.73	9.38	122	104/110	African Dev. 20c '68		122	-1	9.99	9.86	
10.94	9.46	123	104/110	African Dev. 20c '68		123	-1	10.24	10.17	
6.45	7.81	124	104/110	African Dev. 20c '68		124	-1	10.27	10.20	
11.44	9.34	126	104/110	African Dev. 20c '68		126	-1	10.29	10.22	
11.61	9.48	127	104/110	African Dev. 20c '68		127	-1	10.32	10.25	
10.73	9.50	128	104/110	African Dev. 20c '68		128	-1	10.35	10.28	
9.85	9.44	129	104/110	African Dev. 20c '68		129	-1	10.38	10.31	
10.99	9.46	130	104/110	African Dev. 20c '68		130	-1	10.41	10.34	
11.55	9.50	131	104/110	African Dev. 20c '68		131	-1	10.44	10.37	
9.73	9.38	132	104/110	African Dev. 20c '68		132	-1	10.47	10.40	
10.94	9.46	133	104/110	African Dev. 20c '68		133	-1	10.50	10.43	
6.45	7.81	134	104/110	African Dev. 20c '68		134	-1	10.53	10.46	
11.44	9.34	135	104/110	African Dev. 20c '68		135	-1	10.56	10.49	
11.61	9.48	136	104/110	African Dev. 20c '68		136	-1	10.59	10.52	
10.73	9.50	137	104/110	African Dev. 20c '68		137	-1	10.62	10.55	
9.85	9.44	138	104/110	African Dev. 20c '68		138	-1	10.65	10.58	
10.99	9.46	139	104/110	African Dev. 20c '68		139	-1	10.68	10.61	
11.55	9.50	140	104/110	African Dev. 20c '68		140	-1	10.71	10.64	
9.73	9.38	141	104/110	African Dev. 20c '68		141	-1	10.74	10.67	
10.94	9.46	142	104/110	African Dev. 20c '68		142	-1	10.77	10.70	
6.45	7.81	143	104/110	African Dev. 20c '68		143	-1	10.80	10.73	
11.44	9.34	144	104/110	African Dev. 20c '68		144	-1	10.83	10.76	
11.61	9.48	145	104/110	African Dev. 20c '68		145	-1	10.86	10.79	
10.73	9.50	146	104/110	African Dev. 20c '68		146	-1	10.89	10.82	
9.85	9.44	147	104/110	African Dev. 20c '68		147	-1	10.92	10.85	
10.99	9.46	148	104/110	African Dev. 20c '68		148	-1	10.95	10.88	
11.55	9.50	149	104/110	African Dev. 20c '68		149	-1	10.98	10.91	
9.73	9.38	150	104/110	African Dev. 20c '68		150	-1	11.01	10.94	
10.94	9.46	151	104/110	African Dev. 20c '68		151	-1	11.04	10.97	
6.45	7.81	152	104/110	African Dev. 20c '68		152	-1	11.07	11.00	
11.44	9.34	153	104/110	African Dev. 20c '68		153	-1	11.10	11.03	
11.61	9.48	154	104/110	African Dev. 20c '68		154	-1	11.13	11.06	
10.73	9.50	155	104/110	African Dev. 20c '68		155	-1	11.16	11.09	
9.85	9.44	156	104/110	African Dev. 20c '68		156	-1	11.19	11.12	
10.99	9.46	157	104/110	African Dev. 20c '68		157	-1	11.22	11.15	
11.55	9.50	158	104/110	African Dev. 20c '68		158	-1	11.25	11.18	
9.73	9.38	159	104/110	African Dev. 20c '68		159	-1	11.28	11.21	
10.94	9.46	160	104/110	African Dev. 20c '68		160	-1	11.31	11.24	
6.45	7.81	161	104/110	African Dev. 20c '68		161	-1	11.34	11.27	
11.44	9.34	162	104/110	African Dev. 20c '68		162	-1	11.37	11.30	
11.61	9.48	163	104/110	African Dev. 20c '68		163	-1	11.40	11.33	
10.73	9.50	164	104/110	African Dev. 20c '68		164	-1	11.43	11.36	
9.85	9.44	165	104/110	African Dev. 20c '68		165	-1	11.46	11.39	
10.99	9.46	166	104/110	African Dev. 20c '68		166	-1	11.49	11.42	
11.55	9.50	167	104/110	African Dev. 20c '68		167	-1	11.52	11.45	
9.73	9.38	168	104/110	African Dev. 20c '68		168	-1	11.55	11.48	
10.94	9.46	169	104/110	African Dev. 20c '68		169	-1	11.58	11.51	
6.45	7.81	170	104/110	African Dev. 20c '68		170	-1	11.61	11.54	
11.44	9.34	171	104/110	African Dev. 20c '68		171	-1	11.64	11.57	
11.61	9.48	172	104/110	African Dev. 20c '68		172	-1	11.67	11.60	
10.73	9.50	173	104/110	African Dev. 20c '68		173	-1	11.70	11.63	
9.85	9.44	174	104/110	African Dev. 20c '68		174	-1	11.73	11.66	
10.99	9.46	175	104/110	African Dev. 20c '68		175	-1	11.76	11.69	
11.55	9.50	176	104/110	African Dev. 20c '68		176	-1	11.79	11.72	
9.73	9.38	177	104/110	African Dev. 20c '68		177	-1	11.82	11.75	
10.94	9.46	178	104/110	African Dev. 20c '68		178	-1	11.85	11.78	
6.45	7.81	179	104/110	African Dev. 20c '68		179	-1	11.88	11.81	
11.44	9.34	180	104/110	African Dev. 20c '68		180	-1	11.91	11.84	
11.61	9.48	181	104/110	African Dev. 20c '68		181	-1	11.94	11.87	
10.73	9.50	182	104/110	African Dev. 20c '68		182	-1	11.97	11.90	
9.85	9.44	183	104/110	African Dev. 20c '68		183	-1	12.00	11.93	
10.99	9.46	184	104/110	African Dev. 20c '68		184	-1	12.03	11.96	
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Continued on next page

WEEKEND FT

Saturday April 11 / Sunday April 12 1987

Springtime in Paris

David Housego sets the scene for our special issue on France's first city

Past glory, present doubts

If President Mitterrand had had his way, Paris would now be in the throes of preparation for a World Exhibition to be held in 1989. Mitterrand intended it to coincide with the bicentenary celebrations of the French Revolution — thus echoing the centenary celebrations of 1889 which were an occasion for demonstrating Paris's influence and importance in the world. It was the year the Eiffel Tower was built and of a World Exhibition intended to show "the results over the past 100 years in all branches of activity and human knowledge."

Among the ambitious building work considered by the President was a medieval-style bridge spanning the Seine near the Gare d'Orsay and in the west of Paris a high flying esplanade that would have allowed visitors to walk easily around 60 pavilions laid out close to the river.

The project collapsed amid financing problems, rivalry between Mitterrand and Jacques Chirac (who was and remains Mayor of Paris) and the perennial disputes between left and right in France over what significance to give to the tumultuous events of the Revolution. But what remained of the project also a sign of unbridled national self-confidence — a belated adjustment to the realities of being a medium-rank European power that 30 years of rapid economic growth and Gaullist ideas of grandeur had helped conceal?

A visitor to Paris these days cannot help being struck by the intellectual atmosphere of self-doubt and questioning. Alain Touraine, a left wing sociologist, speaks of "an extraordinary French silence. There are no novels. There is no debate. Intellectuals are silent."

Stéphane Cannus' Gide — but they would sober in a lucid essay in *Le Progrès des Intellectuels* in a new magazine called *Globe*, sees intellectuals in French life as having been eclipsed by the new stars of business, popular music and the cinema. "Is there not something absurd," he writes, "in seeing in this France of Voltaire and Zola, that Rameau (a pop singer) should replace Foucault (a 'structuralist' philosopher), and Tapie (an industrialist) to explain to us the meaning of life . . . ?"

Among the factors that have contributed to this phenomenon, he blames the structuralists' preoccupation with the nature of language to the detriment of critical evaluations of the misplaced patronage of Jack Lang, the former Socialist Minister of Culture, for the fringe arts of "fashion, the strip cartoon and film publicity"; and a failure to distinguish between what is "good" and "bad" in art that allows the Impressionist paintings in the Musée d'Orsay to be put in the "loft" while the 19th century epic painters, "les peintres de la peinture", are given pride of place on the ground floor.

Oliver Mongin, editor of *L'Espresso*, sees in the latest issue of the journal — the theme of which, appropriately, is "the winter of politics" — not a chance on the verge of becoming a new world society and of losing face historically and economically to West Germany?

All this melancholic introspection — in sharp contrast to the upward march of the Bourse and the still prevailing feeling of prosperity — is sustained by a combination of elements: the difficult transition from rapid economic expansion to slow growth, industrial restructuring and high unemployment; the crumbling of over-simplistic ideologies on both left and right in the face of common shared uncertainties; the adjustment to a diminishing place in the world for France and the French

language; and the felt absence of famous names in painting, fiction or ideas which buttressed French pride after the war.

In contrast, France (and Paris with it) is seeking to reassert itself in marking its 100th anniversary in celebrating the bicentenaries of historic events and in embellishing its museums. A small booklet issued by the Ministry of Culture lists some 30 anniversaries to be publicly commemorated this year, including the 1000th anniversary of the birth of the French monarchy, the death of William the Conqueror, the rebuilding of the Sorbonne and the arrival of American troops in France in 1917.

The centre of Paris — the rectangle that runs from the Louvre to the Place de la Concorde and embraces other parts of the city — has similarly been transformed into a monument with the extension of the Louvre, the building of the Musée d'Orsay, and the addition of a costume museum to the Musée des Arts Décoratifs.

Reflecting this new preoccupation with the past, Gallimard has published the first four volumes of a massive study called *Les Lieux de Mémoire*, the places of memory. It is a collection of essays that explore history through the places and symbols — the Pantheon, Paris street names and sculptures, the Marianne, the Collège de France — which are expressions of the collective national memory.

Pierre Nora, who has edited the study, sums up: "In the uncertainty of national identity that France suffers today and in the blurring of familiar landmarks, an appreciation of the national heritage as an expression of its collective memory is an essential element in changing France's image of itself and redefining its place in Europe."

Alain Grellet Bosviel, who runs the urban planning department in the Paris town hall, is not worried by the "explosion" of museums in the heart of the capital: he says that the setting up of museums has become a vice of old Europe" and that he has a proposal for a new museum roughly once a month.

What concerns him more is that shops and living spaces in the centre of Paris could diminish under the pressure of high office rents and the large stores being built on the outskirts of the city. He fears for the large and famous emporia put up at the end of the 19th century — Printemps, Galeries Lafayette, Au Bon Marché — and says that they must be saved.

Paris is a city of inter-locking villages or quartiers. The policy of the Paris municipality is that each quartier should maintain its own mix of housing, office space, restaurants and entertainment and shops.

Paris's major success in preserving this mix of activities has been the development of Les Halles. The old covered market pulled down under President Pompidou has been replaced by a quartier that is self-consciously modern, brash and assertive — but which hums almost 24 hours a day and where you can live, shop, dine out and be entertained in the evening. Les Halles

was able to establish its identity so quickly because of the presence nearby of Pompidou's Beaubourg centre as a focus of contemporary art and innovation. The municipality's efforts are now concentrated on renovating the east and north of the capital. Paris is the only European city that London has not yet overtaken in size and in the west. The reasons are not clear. A preference for the setting sun? Fear of the German invader coming from the west? Or the prevailing wind?

But the royal palaces of Versailles, Meudon and St Cloud were all built to the west. In the 18th century, the city was extended westwards into the fields of the Faubourg St Germain. And the pattern continued in the 19th century with the boulevards and parks laid out by Haussmann. The result was that the workshops of the city moved to its poorer quarters to the west.

Both the municipality and the government are now trying to reverse that trend. Within the city precincts, one of

the major projects is the development of La Villette in the north-east focused around the new Science Park, concert halls and museums. Nearby the Place Stalingrad will be endowed with the largest water sports centre in the city. Also on the eastern side, the new Opera House is being built at the Place de la Bastille.

Outside the precincts, Paris is also being pushed onwards with the development of the new towns of Marne-la-Vallée, and beyond that the Euro-Disneyland Park due to open in 1992.

I arrived there one morning for the eight o'clock lecture by Professor Polin on "French culture as seen through French philosophy". Professor Polin had reached the 18th century and Montesquieu and Voltaire. Montesquieu's argument that laws of nature must obey reason to demonstrate the superiority of Anglo-Saxon universities. He said that some people (evidently in France) favoured throwing the universities open to all without any selection on entry. But that produced disorder since universities could not function when they became overcrowded and reached a population of 40,000. Oxford wisely had limited entry to 9,000.

Some 3,000 foreign students enrol for each of the two semester courses — the majority are still American though the fall in the dollar has of late reduced their numbers. Madeleine Eristov, the deputy director of the course who has been there since 1948, says the students prefer contemporary French literature — Sartre, Camus' *Gide* — but they would be hard put to name any living French authors apart from Romain Gary, Duras and, possibly, Michel Tanguy. Economics and geography courses now reach out beyond France, she says, to "take account of a European and even world dimension". But students arrive believing "that Paris and the Sorbonne are the centre of the world," she maintains. "But sometimes they are disappointed."

Paris is a city that gives such an impression of civilised order that it is always a jolt to realise how close to the surface violence has lain historically. About 20,000 people were killed in the Commune riots of little more than a century ago. Many of the "Grands Boulevards" were built as broad avenues to provide troops with a large sweep of fire for crowd control.

★ ★ ★

Anne Corbett, an author researcher who has lived in Paris 10 years and works with New Society, is writing a book that looks at some of these undercurrents in the life of the capital that conventional guide books do not touch such as the police, the administration and prisons. By putting this in contrast to the more familiar aspects, her aim is to provide a broad canvas that shows how a large city works.

But in unravelling the different layers of the city, she found surprises where she least expected them. The riot police have long had an image of steel helmets, truncheons and violence. At the time of the May 1968 riots, in 1968 a popular slogan was "CRS-SG".

"There's no doubt some of them are the things they are made out to be, and when things go badly you'll generally find things in control. But the majority make a good case for themselves as the defenders of civic — or as they say — republican values," says Anne Corbett.

She visited a unit and was astonished to hear one saying that he was most proud of disobeying an order from a superior to disperse a crowd in front of the National Assembly. The order was given during the demonstrations against schools in 1984 by the commander (non-CRS) who had got jumped at the size of the crowd before him.

CRS drill requires that four orders be given preparatory to a charge. The officer commanding jumped from one to four and found that some of his forces refused to follow.

For many foreign students arriving in Paris, their initial cultural high house is a popularised "Courses de Civilisation Française" at the Sorbonne. It was begun just after the First World War for American officers who wanted to know more about France. The main lectures are still given in the green and dusty auditorium of the Salle Richelieu which has so far escaped the facelift being given to other parts of the Sorbonne in this, the 100th anniversary of its extension and rebuilding. The Salle Richelieu was taken over in the winter by students on strike in protest at proposals for new selective entry procedures.

But the Bastille has by no means

shed its past. Turn into the Rue de Lappe and walk down until you reach the discreet red doors of what looks like a private club of dubious reputation. Turn inside and you will find an old fashioned dancing hall with middle aged couples guiding one another across the floor as if, here at least, time has stopped.



The Long View

Cold shoulder for shareholders

A stock market that sets managers and investors against each other could be a dangerous place, says Barry Riley, assessing some recent attempts at buy-outs



endure the risks associated with his plan to build a new scheduled airline. He wants to buy his existing public shareholders out, and then perhaps to come back to the market later on in a different form.

His buyout scheme raises a number of questions. Why, for instance, are his institutional backers — his buyout scheme raised a number of questions. Why, for instance, are his institutional

But I don't want to get into details of

Goodman's proposal. I am concerned with a general point about such deals better described as buy-ins than buy-outs. This is that they totally destroy the identity of interest upon which shareholders have previously relied.

Such transactions are unusual, but far from unique. One of the most celebrated was Sir James Goldsmith's buy-in of Cavenham Foods about ten years ago, when the company had set up a takeover vehicle in the early 1970s. There have been a number of examples in the US, largely provoked by the atmosphere of speculation and corporate raiding.

At home, a small engineering company called Molins attempted to buy out its public shareholders in November 1985 for £50m. Molins argued somewhat implausibly that it was at a disadvantage to secretive, privately-owned West German and Italian rivals which did not need to comply with allegedly damaging

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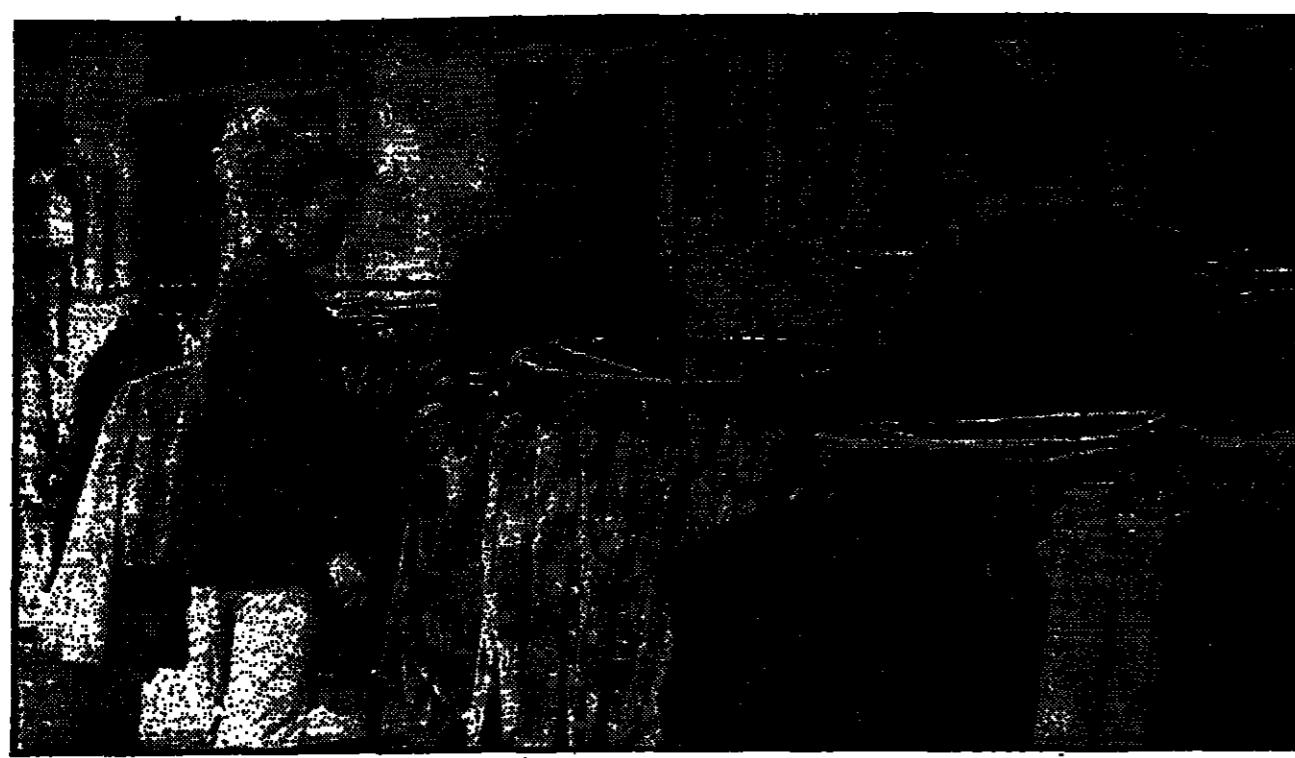
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At home,



"If you know where to go you can buy couture dresses at knockdown prices . . ."

CHIC ON THE CHEAP

PARIS abounds in bargains. If you know where to go you can buy couture dresses at knock-down prices and household necessities at well below the usual going rate. Bargain shops come and go, so if you have Parisian friends quiz them when you get there—they'll know exactly where the latest ends-of-line or special sales are on. Remember, in Paris the sales really are the sales—at Harnes come the sales, you can hardly get into the door for the crowds of chic shoppers clamouring to buy wares at marked-down prices.

Whether you're looking for couture clothing at a discount, secondhand clothes from the smart *depot-vetement* or some jolly *fripes* (anything from American rock clothing to 1920s couture dresses), the list of outlets is endless—so endless, in fact, that you can't list them all here (for a much more comprehensive list see the Bargain chapter in my book, *The Shopper's Guide to Paris*). Here, though, is a quick guide to some of the most notable areas and some of the most famous of the shops.

If it's couture clothing you're after remember that almost every big designer name has some outlet for its end-of-lines,

its last year's stocks, its seconds—if you don't know the address—ask. Some, like *Nina Ricci*, have them in the basement of their boutiques, others are tucked away in grimier arrondissements. A good place to head for is the rue d'Alésia in the 14th—there you will be able to buy names like *Cacharel* (at No. 114), *Dorothée Shé* (No. 74) and many, many others at prices that seem like roughly half the going rate.

Most famous of the name outlets is *Mendès-St Laurent* at 65, rue Monceau, 8th (not a stone's throw from *Boulogne*) where there's a chic fashion editor who never, ever goes to Paris without stopping in to see what's on offer.

Biderman, 114, rue de Turenne, 3rd, is probably the most famous of all the *degriffe* shops for men—*Marcel Biderman*, brother of the disco queen, *Regine*, here sells a wide-range of end-of-lines or end-of-season models from the big names.

If you can face scruffy and don't mind scruffy surroundings, head for the rue Saint-Placide, 6th—this little street is lined

with shops specialising in *soldes* and *degriffe*. Stock comes and goes according to season but the spread is usually wide—everything from cut-price shoes to an up-to-the-minute suit, leisure-wear, children's wear, you name it, it's usually there. It's not luck and caveat emptor.

Modus Degriffe is a small but airy shop at 31, rue Varenne, 7th where you can usually find a combination of the peace and service of a proper full retail shop with the prices of the *degriffe*—worth checking out if you're in the area as the stock is small but select.

For cut-price fabrics go to *Marché Saint-Pierre*, 2, rue Charles-Nodier, 1st it may seem a long trek out but many a glittery designer career was launched with fabric from this famous market (*Kenzo*, *Jean-Paul Gaultier* and the newly-rising *Lolita Lempicka* all bought their first lengths here).

For household bargains look out of *Blanc Cassé*, 60, rue de Boulainvilliers, 1st where sheets and towels, towelling robes, blankets and duvet covers all come at knock-down prices. *Jean-Jacques Rousseau*, 1st,

is one of the best places to go for the *depot-vetement* of the *degriffe*.

If you are interested in smart and chic secondhand clothes in impeccable condition, the places to make for are the very smart arrondissements where what you wear really matters. The word to look out for is *degriffe* and there are *trésorinières* in the world of secondhand—Reciproques in the *seconde de la Pompe* in the 16th (spiritual home of the Parisian equivalent of the *Sloane Ranger*), *M and Mine Bon Chic*, *Bon Genre*, the *BCBG* where you can buy clothes for women, for men, for children in one or other of the boutiques gathered between Nos 95 and 123. In the 7th, *Claude Bayonne* is the entrepreneur behind the *Cherche-mitaines* empire between numbers 110 and 111 rue du *Cherche-Midi*—impeccable clothes for men, women and children. Look out next time it took me some time to realise they were secondhand.

Depot-vetements are where you can buy clothes for this or last year's model, already worn, and secondhand—*fripes* is where you can buy clothes for men, women and children. Look out next time it took me some time to realise they were secondhand.

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... from bargains to antiques, from Spring outfits to a witty lamp

don't take it to heart

46). Not so new but she has a faithful following and not too many people back home will own a Moren label. For more established chic—Azedine Alaïa, the talented Turk, has his own shop and showroom at 17, rue du Parc-Royal, 3e where you can see for yourself just why Tina Turner, Grace Jones and fashion editor Suzy Menkes all flock to buy his seductive, body-hugging lines.

Not for staid city clothes, but interesting clothes, for more adventurous (carterially speaking) men is Bernard Malmanot in the rue Pavée—just opposite Lolita Lempicka. Beautifully made, lined and finished suits,

all a bit way out but attractively so. Don't miss Jean-Paul Gaultier's amazing new boutique with its video-screams set in the floor in the Galerie Vivienne, off the rue Vivienne, 2e or a trip down the rue du Jour nearby, just close to the Pompidou Centre. Here André S is his new label and selling her own version of miniskirts, wrapables, French chic from women, children, Lolita et al.

At the Left Bank is more your style, head for the rue de Charche-Midi and the rue des Saint-Pères. One chic shop follows another. There's Sonia Rykiel and Maud Frizon (with

cheaper shoes now at her Miss Maud boutique further along the rue de Grenelle) and lots, lots more. A new discovery of mine is a tiny boutique called Irine in the rue de l'Orangerie, 7e, where a small but exceedingly interesting collection of the shop's own designs attract a knowing clientele.

While in the little rue du Poëux-Clerc, take in an angelic little jeweller and called Irine. You'll find up modern jewels of great verve and wit, designed by Danielle Poullain.

Many of her pieces have

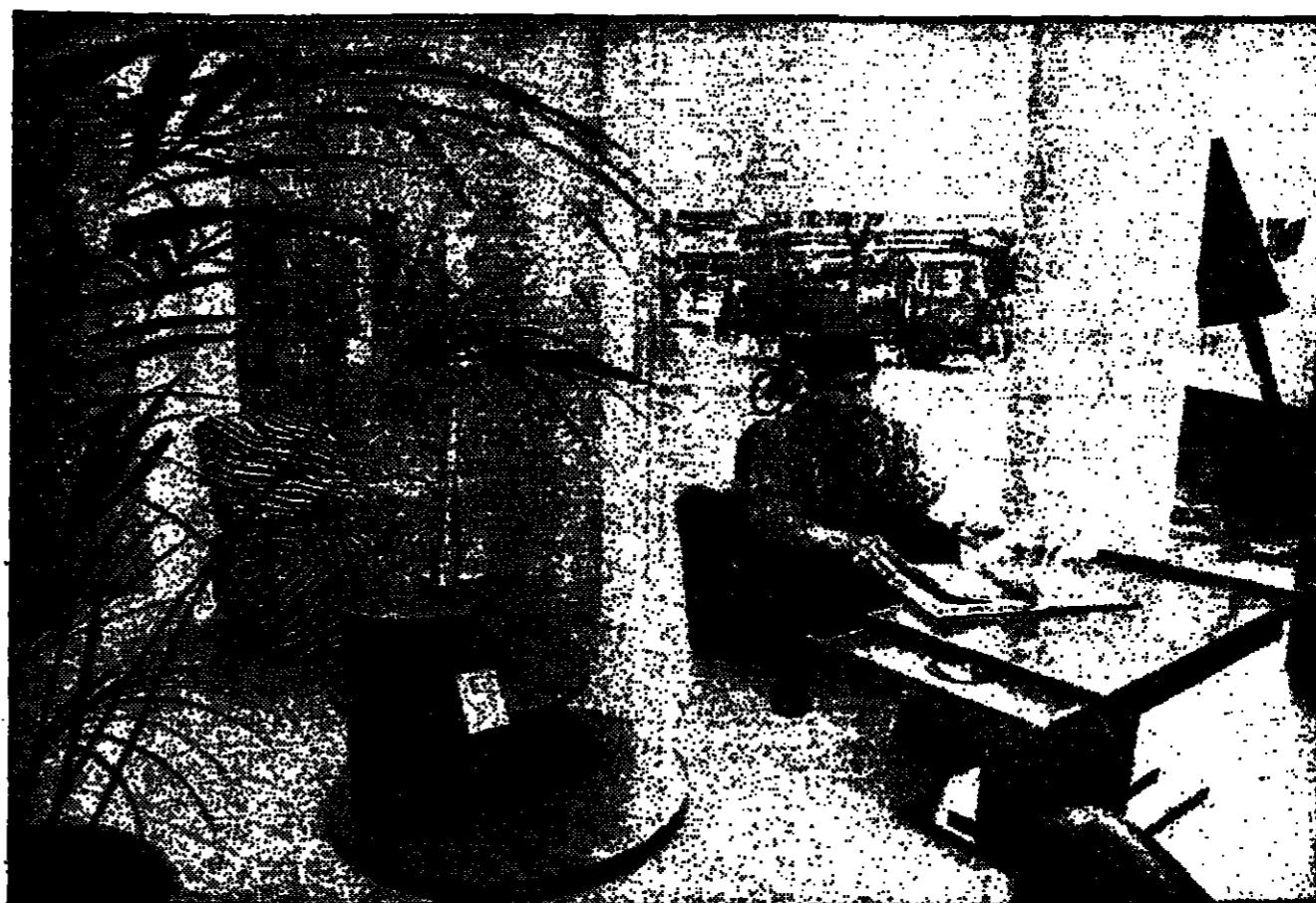
already found their way into

the Musée d'Art Moderne. Her jewellery is a perfect antidote to the rather sombre, monochrome clothes so fashionable today—she uses strong, geometric shapes in brilliant colours for necklaces, bracelets, some topped with cat's faces or a giant heart, on a dainty morning

they brightened up my day.

HOW TO SPEND IT

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V.I.A., where all that is best in modern French design is on show

DESIGNED TO EXCITE

furniture, lighting and objets. V.I.A. houses, cherishes and even funds early prototypes of sufficiently promising designers. V.I.A. first gave Philippe Starck a chance to show his designs, then launched Olivier Morge and many another newly-grand name. Well worth a visit.

Wander round the backstreets of Les Halles which is where most of the most lively, most creative and most avant-garde shops are open. Some you will hate, some will shock you, but what will impress is the vitality and sense of excitement.

A few more addresses for those interested in the creative arts:

Le Bihan, 25 rue du Faubourg-Saint-Antoine, 11e—large space given over to the biggest names in the modern furniture world, worth le detour.

Nestor, 25 rue du Renard, 4e. Lots of lively exhibitions to keep the interest going, as well as a selection of up-to-the-minute furniture and lighting.

Papyrus, 31, boulevard Raspail, 7e. A chic black and green shop with the furniture of one of France's leading architects, Jean-Pierre Cailleres.

Perkol, 8 rue des Quatre-Fils, 3e. Another architect, Nestor Perkol, has his shop here selling furniture, fabric, lighting all le dernier cri. Lots of lively exhibitions as well.

Antiques — a fine, free show

RUMMAGING around in antique shops is a time-honoured Paris pastime—not because you are likely to uncover some amazing bargain (the dealers are almost bound to have got there before you) but simply because there could hardly be a pleasanter way of passing a summer Sunday morning. Put on some good walking shoes, hold your wallet tight, and set out to enjoy some of the best free entertainment around.

The flea markets—well-known, well-documented and well-picked-over—can often be disappointing. For charm, the streets on the Left Bank, from the Quai de Seine to the rue Jacob, and the Bonaparts beat the markets hollow; however, they aren't open on Sundays (except during the annual antique fair, usually held in July) and no-

body will be selling anything cheap.

If you want to take in a lot of different shops and stalls easily and comfortably, you should make for one of another group of shops or covered markets which are now beginning to sprout in Paris.

Smallest and quaintest of them all is probably *La Cour des Antiquaires*, 54 rue du Faubourg St Honore, 8e. Right in the heart of posh Paris is this little collection of chic boutiques purveying everything from Greek icons to old porcelain, elaborate gilt candleabras to 18th-century paintings. The rue du Faubourg Saint-Honoré, however, is not a place where you would expect to come upon any bargains—quality will probably be high but so will the prices.

Le Louvre des Antiquaires, 3 place du Palais-Royal, 1er, is a favourite stopping-off place of mine—apart from anything else, it has some of the most comfortable armchairs and smartest looks in Paris, as well as a very nice restaurant. In this grand and beautiful arcade are gathered shops specialising in almost everything charming and decorative, from jewellery to French provincial furniture, marquetry pictures and instruments to rustic cooking implements (very sought-after these days among chic collectors). Prices do not strike me as astronomical but strike and right for the kind of quality it sells.

Village Saint-Paul is in the Marais, just off the rue Saint-Paul and the rue Charlemagne, 4e. In and out of old streets and courtyards you will find an

exceptionally charming selection of inexpensive brocantes (the junkier sort of second-hand) and fine antiques (purveyors of fine antiques). Rummage around and you might come upon a fine antique cloth for a table, a weird and wonderful piece of wrought-iron for your garden, or a portrait that just might give you pleasure for years to come.

Village Saint-Paul, off the avenue La Motte-Picquet or the avenue de Suffren, 15e, is another group of independent dealers all specialising in different wares. It has less charm than *Village Saint-Paul* but is perhaps better organised. Come to the shop open on Sundays and if you seriously intend to buy a piece you can ask for expert verification of it at no extra charge.

POT POURRI

HOOTEST news on the fashion circuit is that Christian Lacroix is resident couturier at Jean Patou and numero uno with the world's fashion press, is about to head up his own couture house. A solid touch to the whole story is that he is being funded by French grandes dames who are the new name and money behind the House of Dior. The House of Lacroix, however, will be entirely separate. Planning to hold its first show this coming July, the fashion world awaits the rise of the House of Lacroix with considerable excitement.

IF YOU thought the smartest denims were clothe in 360s take another look—black jeans are in. These are a bit more basic than the sell-out ones, but perhaps first in on the trend were Marithe & Francois Girbaud, one of the early supporters of the minimalist school of shop design: if you make the shop itself look sufficiently like a rather bleak warehouse, the clothes will stand out like bright beacons; you can find them now at either their rue Edouard VII, 106, or at their Left Bank companion, Espace Bonaparte, 6e, rue Bonaparte, 6e.

DON'T miss the Christian Dior retrospective at the Musée des Arts de la Mode, 107, rue de Rivoli, 1er. Besides some marvellously evocative photographs (including the famous one of the

engaged matrons trying to a "New Look" dress off a young woman in Montmartre) there is model after model clothed in authentic gowns from the House of Dior. You can trace the evolution from the wavy-waisted, button-downed "New Look" through the 1950s, the 1960s and the assault on the alphabet with the A-line, H-line, the Y-line.

YOU are wondering where your matrons should come to rest this spring (decisions, decisions, decisions) then you might like to know what Paris thinks. The answer: from the boulevards and the faubourgs is loud and clear—short, short, short. The silhouette is slim, curvy and decidedly feminine. If you really feel

you legs are better hidden, then keep to the very, very long. Don't, above all, compromise and go for something in the middle.

YOU don't have to spend mega-bucks to sample a little of the grand life. Have a drink in the bar of the Cité des Jeunes, a hang-out of bohemian Paris in times gone by. They are no longer there but a little of the gay life lingers on and for the price of a (rather pricey) drink in the Cité des Jeunes you can take a look into one of the most sumptuous dining-rooms in town.

Anyone who wants to know yet more about How To Spend It in Paris—er, indeed, any aspect of *Le Shopping* in that splendid city-night like to know that *Leach van der Post* has written *The Shopper's Guide to Paris* which is published next Monday by Michael Joseph.

It covers everything from haute couture to discount shops and where to track down a quirky present, a handmade shoe, a chic new outfit or the finest chocolate in town. You can buy a copy by post from The Penguin Bookshop, 25-38 Bridlepath Gate, Nottingham NG1 2GP (£3.95 plus 70p for p+p).

L'Hommme et l'Inconnu, 1 rue du Mail, 2e. Here you can be sure to find something to please the man in your life—a small but immaculate selection of men's old and new everyday clothing. Look out for the black Minimalist numbers as well as some slightly funky retro for those who like things old and fine. Good old Bakelite pens and wireless left over from the days when RBC English ruled the world. Lots of toys for the boys.

Les Petits Choses d'Aristide, 56, avenue Paul-Doumer, 16e, and Sabine Rose, 71 rue des Saintes-Pères, 6e, are the places to go searching for delectable underpinnings for women as they used to be before they'd ever heard of calories—voluptuous, feminine, all froth and frills.

L'Hommme en Present, 20 rue Franklin, 16e—more present for men than immediate if extremely modern taste. Lots of toys, up-to-the-minute electronic gadgetry.

Le Nid Nid, 406-410 rue Saint-Honoré, 1e. One of the most famous toyshops in the world and rightly so—don't miss it if you have a child on your presents list.

Gratte Bar, 2, rue du Tour, 16e—shop there if you like an impeccably dressed fashion editor but have your own jewellery—nothing understated here, all very much designed to catch the eye and to be worn with plenty of oomph. Particularly good place to find something for a trendy teenager.

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diversions

So chic to be a Yuppy now

They're all rich and getting richer—and Paul Bettis has his eye on them

"LE STYLE ANGLAIS" and increasingly "le style American" have long been a major French preoccupation. As a result it is not at all surprising that the first French Yuppies have started to appear on the Paris scene.

A few years ago, the ideal of the young successful French cadre was to be BCBG—short for "Bon chic, bon genre," a rough equivalent of the Sloane Ranger in London and the Preppy on the US East Coast. The BCBG dressed in well studied casual clothes to achieve what the French call "le look." The look usually included the sort of clothes worn at a fashionable golf club and what the French assume to be the English style of dressing.

The BCBG was rather sweet, if a little boring. Next and clean-cut the BCBG (and there are lots still around) usually came from comfortable surroundings, like a home in the 16th arrondissement of Paris and a house in the country or by the sea. BCBG boys and girls always seemed to be stepping right out of a Coca Cola or chewing gum advertisement. It was "Happy Days" rather than "Dallas."

If the new breed of French Yuppies has kept many of the characteristics of the old, it is of the "style anglais" kind. It has a far more aggressive edge to it. The Yuppies have emerged in France with the major transformation that has been taking place in the way business and finance is done and run. If Paris has yet to undergo a "Big Bang" on the London scale, it has nonetheless experienced a small bang. Deregulation of financial markets, privatisation, the more outward-looking approach of French companies and American business and marketing techniques have all had an increasingly significant impact on life in Paris.

The classic French Yuppy will have been to America, preferably to a business school on the East or West Coast, and will speak with great confidence and knowledge of the virtues of American management and marketing practices. The American experience gives the French Yuppy an infuriating advantage over his peers in France, even if they have gone to a grande école. He will immediately understand what is all the terms related to information processing technology like "bureaucratique," "informatique," "climatique," and so on.

He will also try to meet you for a working breakfast rather than a good old fashioned French two and a half hour business lunch. The working breakfast has become a spreading curse of the Paris business scene. Big and small companies now organise, under the impulse of their young Yuppie executives, breakfast conferences and breakfast meetings at luxury hotels of the capital. The working breakfast business has clearly proved a great relief to the Paris luxury hotel industry, hit during the past months by the decline in American tourists. Some hotels have done better than others. For example, if a Yuppy wants to be seen having a supposedly discreet breakfast meeting with a wizard of the Paris business or social scene he will go to the George V or the Royal Monceau, where the Yuppy generation feast on croissant, grapefruit juice and coffee for the price of a good lunch in one of the better Paris bistrots.

After his breakfast, the Yuppy will probably pop in to see his barber for a strict trim. "The Yuppy will invariably greet the cashier and the mannequin and the barber by their Christian

names," remarked an habillé of the Paris Yuppy and hair salon scene.

If the Filofax or the Mulberry diary are still relatively rarely seen around Paris, the French Yuppy will dress in pin-striped or English sports clothes covered by the inevitable Burberry raincoat. The solid lace-up shoes come from Weston. This is in fact a highly successful French company which passes as an institution as British as John and Mason. French President Giscard d'Estaing buys his shoes there, as well as most members of the Paris establishment. The Yuppies, too, are now flocking there but, one is pointedly told.

Another giveaway is the blue loden coat. For many years it was very BCBG to wear a green loden coat in Paris but the Yuppy has gone for the darker, more sober variety of the popular Bavarian garment. Blue lodens are now seen in the NAP district of Paris, returning to the Neuilly and 16th arrondissements where Yuppies jog every morning and all week end. One ageing French Yuppy used to hold morning jogging sessions with his younger colleagues jogging round the Bois before plunging into his Renault limousine to the office.

The French Yuppy — like Yuppies all over the world — likes money, likes to talk about money, and likes to boast on how much money he is making on his latest deal. The buoyant Paris Yupp market has not helped. "Every Yuppy in town thinks he is a financial genius," said a stockbroker. "But any fool can be a rich monkey in the Bourse at a time when all, or at least virtually all, equities have been singing."

A high proportion of women Yuppies is also appearing on the Paris scene. You can tell them a mile away: a long fur coat, make-up and strong perfume.



fume, and clothes to ensure the maximum effect the moment they walk into a restaurant, salon or office," said an Italian businessman in Paris with a tinge of nostalgia for the more discreet Yuppy equivalent of Milan or Turin.

But behind the facade, the French Yuppy remains very French. The main ambition is to be successful, seen and liked in the Paris scene and eventually be seen with the French social or business locomotive. The ideal is a good job in a high-flying banking, financial services or industrial group, a flat in Paris and access to a country pad, a Peugeot GTI supermini, a BMW and, if affordable, a Porsche, and ski holidays at Courchevel.

The most revealing feature of the French Yuppy is the fact that many will walk around holding the salmon pink business pages of *Le Figaro* with their attaché cases. From a distance they are classic business people who will admire the Figaro pages for the FT. "But they would never buy the FT because they can't read English," explained a French banker of the old school.

Edmund Penning-Rowsell discusses the 1986 vintage from the French wine heartland



Fantasy at the Crazy Horse ... but it must be a long time since a Frenchman went there willingly

Around midnight

Antony Thornecroft goes exploring the entertainment scene in Paris after dark

notably Le Caveau d'Eschinet, hard by St Michel, which has been serving up uncomplicated mainstream jazz since Existentialist days. Just along the street, Le Petit Journal has paid the price of success and moved from its atmospheric bar to larger premises near the Hotel Montparnasse, the only part of Paris to suffer from developers' disease. There is more room but fewer vibes, apart from the visiting US keyboard king, Bo Bice before plunging into his Renault limousine to the office.

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They might still visit the Folies Bergère, the Moulin Rouge or the Lido, because these are institutions, but at night most of the bourgeoisie will be reluctant to move outside the restaurants and brasseries of their own circumscribed out in community centre dished out in community centre dished out in community centre.

The French at play favour the cinema: there are more than 400 screens in the inner city, and the length of the queues for demanding movies would make Cecil B. DeMille weep. Paris is still somehow, a summer city where people are entertained by each other, or by the escapism of other.

If there is a local art form it is jazz. The image of the Paris jazz scene, and especially the social or business locomotive.

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They can still be found,

A way with words

Anthony Curtis finds that bookshops are still so important

PARIS STILL remains a bookshop's paradise. There are bookshops in every quarter of the city welcoming the casual browser. Smart bookshops are in the fashionable areas where the name Gallimard or Julliard indicates the owner is one of the big publishing houses. There are the specialist bookshops where all the books on sale relate to, say, cinema, gastronomy, oriental art, mysticism, gay life or chess.

Of course, the bookshops along the left bank of the Seine are still going strong, after all these years, with their lock-up receptacles crammed with books, each volume impenetrable in calligraphic wrapping, where you might chance upon anything from a copy of *Thais* by Anatole France in good condition for FFr 70 (27) to one of the old Temple Classic Shakespeare or a Dommier caricature ripped out of *Charivari*.

In the 1920s certain Parisian bookshops were like clubs, centres of literary discussion where expatriate and French writers met regularly to gain support from one another, as well as to see their own books on show. There still are. One of the earliest is at 7 rue de l'Odilon, La Maison des Amis des Livres, run by Adrienne Monnier, a friend of Ezra Pound and William Carlos Williams. She had another American friend, a daughter of a Presbyterian minister in Princeton, Sylvia Beach, who opened a bookshop across the street called Shakespeare and Company, where on a good average day you might meet Joyce, Hemingway and Gertrude Stein, and from where *Ulysses* was first published.

Though long since past its heyday, the shop is still around, now at the rue de la Bûcherie on the left bank opposite Notre Dame and run by the American Dorothy Whipple. Another "house" that takes you from the paperback to the hardback section where the works of once fashionable authors like Harold Laski, Ronald Duncan and Charles Morgan exude a slightly musty smell. Upstairs—administration by invitation only—is the Sylvia Beach Memorial Library.

If this is one kind of bookshop open until midnight, then The Village Voice 8 rue Princesse near the Boulevard St Germain is another: a book shop, gallery, snack bar, poetry reading centre, all in a tiny, but not cramped area. Its patrons are people like James Baldwin and Gordon Heath, those black Americans who have been coming back intermittently to this book of the woods for the past 30 years. The most cursory glance reveals that the concern here is strictly contemporary: feminism, black consciousness, Latin America, the Third World.

Opposite each other at its centre hang two of the Louvre's greatest works: a simple full-length portrait of Giselle with a small company holding him and the small *Pantagruel* by Chodat seen the way. Either painting is worth the pilgrimage alone. Then back towards the entrance stairs, and to the those three vast rooms that hold some of the greatest works of the French 19th century, that brought the neo-classical and the romantic into such close conjunction.

David dominates the Salle Mollien, *The Oath of the Horatii* hanging so close to the wall that the 12-year-old, on an oil sheet, can still see it. The girl's effect is of a tiny, fragile figure, the girls who appear from the shadows in the clubs of this well-lit sex strip, but there is little hazing.

To a great extent this is also a tourist attraction, offering cameo of *Walters Berlin* as an elaborately-dressed girls on bar stools while away the boredom by reading books as crowds shuffle gawping past.

Largillière, and so to Watteau, Chardin, Boucher, Robert and Fragonard.

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The *Grande Galerie* opens its infinite visits with Poussin and for more than half its length, before shifting abruptly to Italy and the early Renaissance, runs through the French 17th and 18th centuries by way of *Georges de la Tour*, *le Nain*, *Claude*, *Poussin*, and *Champaigne*, and

leading seconds will emerge: *Pichot-Lalande* and *Ducru-Boncallo* (FFr 110 for 1986), and *Léonard-Lau-Cases* (FFr 140). Otherwise, the general view is that prices will come down by 20 per cent.

As for the Bordeaux whites, I sampled only a few top-class Grands, such as *Haut-Brion* and *Ducru-Boncallo* (*Château Cheval-Blanc* is the one of the greats of us but very clean-cut distinguished wines, less rich than the seductive 1986s but perhaps with more firmness).

Generally, the dry whites are considered superior to the 1986s. The Sauternes varied, according to whether we consumers should buy the 1986s at opening prices, much depends on the prices. Not many well-known châteaux have yet declared their offers, but *Palmer* more or less led the field at FFr 120 a bottle (FFr 145 for the 1986) and *Duhart-Milon* opened at FFr 62 (FFr 75). Two first-growths have been due to come out this week at FFr 180: *Margaux* and *Mouton-Rothschild*. But when considering whether we consumers should buy the 1986s at opening prices, much depends on the prices. Not many well-known châteaux have yet declared their offers, but *Palmer* more or less led the field at FFr 120 a bottle (FFr 145 for the 1986) and *Duhart-Milon* opened at FFr 62 (FFr 75). Two first-growths have been due to come out this week at FFr 180: *Margaux* and *Mouton-Rothschild*. But when considering whether we consumers should buy the 1986s at opening prices, much depends on the prices. Not many well-known châteaux have yet declared their offers, but *Palmer* more or less led the field at FFr 120 a bottle (FFr 145 for the 1986) and *Duhart-Milon* opened at FFr 62 (FFr 75). Two first-growths have been due to come out this week at FFr 180: *Margaux* and *Mouton-Rothschild*. But when considering whether we consumers should buy the 1986s at opening prices, much depends on the prices. Not many well-known châteaux have yet declared their offers, but *Palmer* more or less led the field at FFr 120 a bottle (FFr 145 for the 1986) and *Duhart-Milon* opened at FFr 62 (FFr 75). Two first-growths have been due to come out this week at FFr 180: *Margaux* and *Mouton-Rothschild*. But when considering whether we consumers should buy the 1986s at opening prices, much depends on the prices. Not many well-known châteaux have yet declared their offers, but *Palmer* more or less led the field at FFr 120 a bottle (FFr 145 for the 1986) and *Duhart-Milon* opened at FFr 62 (FFr 75). Two first-growths have been due to come out this week at FFr 180: *Margaux* and *Mouton-Rothschild*. But when considering whether we consumers should buy the 1986s at opening prices, much depends on the prices. Not many well-known châteaux have yet declared their offers, but *Palmer* more or less led the field at FFr 120 a bottle (FFr 145 for the 1986) and *Duhart-Milon* opened at FFr 62 (FFr 75). Two first-growths have been due to come out this week at FFr 180: *Margaux* and *Mouton-Rothschild*. But when considering whether we consumers should buy the 1986s at opening prices, much depends on the prices. Not many well-known châteaux have yet declared their offers, but *Palmer* more or less led the field at FFr 120 a bottle (FFr 145 for the 1986) and *Duhart-Milon* opened at FFr 62 (FFr 75). Two first-growths have been due to come out this week at FFr 180: *Margaux* and <

A Way with words

LA VICOMTESSE D'ESTRIL
NA PAS RECUE SON BALAI
MECANIQUE

by Jean Anouilh. La Table Ronde. FF 79.00, 191 pages

HITHERTO ANOUILH has been reticent about his life. All we knew about him was he was born in Bordeaux in 1910, his father was a tailor, his mother a musician who played in the orchestra in the Casino at Arcachon, and he went to Paris for his schooling, first at the Ecole Cobert and then at the college Chaplin. This book of memoirs which is short, anecdotal, droll and charming, serves to fill in some of the gaps of his early career. Yet when it is finished the man himself still remains in private that you wonder if the real exists outside his art.

As he showed in some of his plays he is fond of long, teasing titles. The point about this one — "The Viscountess d'Estril has not received her mechanical sweater" — is that his first job aged 18, after he had chucked being a law student, was in the complaints' office of a big Parisian department store. When he left to join an advertising agency he was told that it was a pity. "You would have made a good complaints officer. Anouilh."

What he really wanted to do was to write plays and working in publicity was to come slightly closer to his goal. Advertising, he explains, in those days was in its first youth, a mixture for adventurers, people for whom a proper office job would have been too tedious. He rubbed shoulders there with Prévert, Georges Neveu, Jean Anouilh, who was a dreamer, a bunch of flots as was Anouilh of plays. They became great friends and it was from Anouilh that Anouilh received the idea for his first play, *Humains le Muet*, that a mute who falls in love. Anouilh looks back on the couple of years he spent in advertising as a happy time. He even won several prizes for the best campaign of the month.

It was when he cut loose from advertising and became a script-reader and general dogbogey for Louis Jouvet that Anouilh's troubles really began. There was no love lost between the two. Jouvet considered Anouilh looked too scruffy to be any good and when Anouilh showed him his play, *La Sauvage*, Jouvet told him: "You know, little fellow, your characters are the kind of people one would not wish to have lunch with." Anouilh replied that the feeling was mutual. Anouilh's adventures as a young playwright, fighting to establish himself, might have been scripted by Henry Morgan, love in a garret.

Anthony Curtis on the memoirs of France's leading playwright

Ring round the past



Anouilh and his son in the garden at home

up. He gives a hilarious account of his brief career in the army. His companions could not take seriously a soldier who carried editions of Montaigne and Shakespeare in the pocket of his greatcoat. When France fell his unit was captured by the Germans and he survived for a time on a starvation diet in a prison camp. Then, by judicious use of his Identity card, he managed to get released, and return to Paris.

The full story of the arts under the German Occupation in Paris has never been told (perhaps never will be), but a small part of it may be read here. Anouilh with his money running out, a wife, and a young child to support, joined forces with the director André Barsacq, who had just taken over the Atelier Theatre from Charles Dullin. They decided to revive Anouilh's *Le Bal des Volants* and submitted it to the German censorship for clearance. This was granted, provided the first night was reserved for German officers. It was, but in the event

none of them turned up; after a quarter of an hour of performance the theatre was invaded by their French secretaries who demanded the play be restarted. Barsacq refused.

After that the Parisian public loyalty supported Anouilh at the Atelier where several of his plays were first performed, with no heating and a 7.50 start on account of the curfew. On one occasion the curfew was suddenly put down because of a shooting and he had to eat *Fourmis* in a mid-performance to get it finished in time.

This series of early plays, which established Anouilh in the Paris and Brussels theatres well before his post-war successes in London, a reworking of the Greek story so brilliantly ambivalent that it could be seen both as a tribute to resistance and as an apology for reparation. But George Steiner has an interesting section on it in his recent study, *Antigone* is in no doubt that "Cyrano wins".

Anouilh explains here for the first time how the text of another play, *Leocadia* came to appear in five installments in the notorious pro-Nazi journal, *Le Suis Partout*. He had met the editor Robert Brasillach at a writers' dinner in 1938 when it was being held in the name of the French resistance. The play which he had just finished writing, after the Armistice in 1940, Brasillach reminded Anouilh of the promise. He complied.

Many of Anouilh's admirers of whom I am one, will note his appearance in such an infamous, anti-Semitic journal as, to say the least, unfortunate.

After the liberation Brasillach was executed, one French writer to lose his life for colluding with the Nazis. In spite of the efforts of a number of eminent French authors, De Gaulle said "Non". However, an effort was made to rehabilitate Brasillach's literary reputation in the 1960s with a handsome collected edition of his works, including a volume devoted to his plays (on subjects like Joan of Arc, Bertrand, Shakespeare translations).

That volume had a short preface by Anouilh telling of Brasillach's great love of the theatre and describing something he did not mention in the book under review — how it was the young Anouilh who tramped round Paris for a week collecting signatures to save the life of Brasillach. He set out, he says, a young man and came back one day, as in tale by Grimm. It seems to have been the one occasion in his life when Anouilh left the theatre to engage with historical reality.

There are two sorts of foreign novelists in Paris. The vast majority use the city as an efficient, beautiful theatre of operations. A place where they do not belong and are therefore at peace. The remaining minority, which includes myself, stay long enough to be drawn in, seduced perhaps by the energy and self-confidence which has disappeared from most of the Anglo-Saxon literary world.

Curious enough, this energy has not uncovered many wonderful novels over the last decade, but it has produced well-written words and it has published them well. The writers and publishers of St Germain are a remarkable army in search of a cause and, there are now signs that the cause is near at hand. For a start, the farce of Paris prize-giving has practically run its course. The first man not to play along with the publishing oligarchs was Julien Gracq. He refused the Goncourt in 1961 for his *Brise des Syrtes* and described the jury members as "Grand Prix jockeys trying to saddle up slugs".

Gracq's name, as a result, disappeared from their vocabulary. But this year's Goncourt was so contested that Laffont and other publishers took full page newspaper advertisements to attack the politicking. I like most people who have forgotten the title of the novel he won, but it is announced to have sold well under 100,000 copies. A good sale for this Prize would have been 250,000. At the same time, people are at last beginning to say in public that Julien Gracq is the greatest living French writer. Books about him are appearing. Next year, at 78, he will be published in the *Plaide*, the *Penitence* of publishing. Modern authors who have already received this accolade include Camus, Sartre, Eluard, Montherlant and Céline.

As this prize controversy shows, there is still a remarkable link between the great public and the written word.

Books are news. Books can be action. The public feels itself implicated. The *Journal des*

Books book fair (*Salon du Livre*), which has just ended, is a perfect example. In one week 200,000 people milled over the stands in the Grand Palais to gawk at the authors and to buy books. On Saturday afternoon the working public, with children and ice cream cones, invaded in such hordes that there were shoving matches outside the Gallimard stand.

I feel somehow that the managing director of an American or English house would avoid that sort of scene at all costs.

But in Paris they were all there, captains on their ships in the storm. Why? Because they want to feel their public.

Claude Durand of Fayard gestured out at the tens of thousands and said simply: "People complain about business, but look."

The same phenomenon applies to the most popular public events. There is a third, even more direct meeting of the writer and the reader. Each year the *Paris Club* chooses a writer of the season, and most successful books end up in their authors' hands in a large hall in alphabetical order behind rows of desks. These are piled high with the chosen one's books. Then the public books in, in the S's we were novelists, movie stars, politicians and

John Ralston Saul on the role of the expatriate



Ralston Saul: Gallic grilling

historians. This included Paul Loup Sulitzer, the king of the pulp thriller. His 700-page tomes were piled up in mountains behind him. His three-piece, blue-striped suit spoke of royalties. A cigar stuck from his lips out into the passage way. We all knew we were going to be humiliated as people swamped him for his signature. And yet, by some sort of divine intervention, they didn't. They stared at him from a distance, as if he weren't quite real, then came towards us. He smoked three of his half hours, during which his jowls sagged in exhaustion. Then he got up and left. The old lady signing her books next to me leaned over and said: "Not his public, dear."

Mr Saul is a Canadian writer who lives in Paris. His books are published here by Grafton Books. His first novel, *The Birds of Frey* (first in the General Ed. Le Seuil) was awarded the Grand Jury Prize in France. His two most recent novels are *Borealis* (Paris Ed. Denoel) and *The Next Best Thing* (*L'Extrême du Bien* — Mazenot).

Douglas Jay on a definitive account of the Affair

When military justice failed

THE AFFAIR: THE CASE OF ALFRED DREYFUS
by Jean-Denis Bredin
translated by Jeffrey Mehlman
Sidgwick & Jackson, £20.00.
560 pages

JEAN-DENIS BREDIN, historian and Professor of Law at Paris University, has now written a massive study of the most famous miscarriage of justice in modern history. Readers who are new to the Dreyfus case, and imagine it to be just another story of secret services getting out of hand, or raging anti-Semitism, will learn from M. Bredin that James Bond, Burgess, Philby and the CIA are all nursery tales as measured against the farce of his "Affair".

It will be grateful to M. Bredin for the immense thoroughness, perspicacity and erudition with which he has unravelled the whole murky tangle. He does not claim to have discovered startling new evidence, or question the generally accepted verdict. But he omits nothing material, and on the main issues surely leaves little more to be desired.

It all began in 1894 when a French Officer, Count Esterhazy, in exchange for money, sent a written, unsigned note with dubious military information to the German military attaché in Paris, von Schwarzkoppen. The latter habitually threw into his waste-paper basket both military and domestic love letters from his friend, the Italian military attaché. But unknown to Schwarzkoppen his chancery handed on each week the contents of the waste-paper

basket to the French military secret service, known appropriately as the "Section of Statistics". The chancery seems almost the only character in the drama who carried out his duties scrupulously for 12 years. On the one hand, the Cordon of hierarchy, the Army, the anti-Semites, on the other, the radicals, intellectuals, republicans and the Jewish community.

Even Kaiser Wilhelm II joined in, protesting,

truly, that his embassy had

had no dealings with Dreyfus.

The press called all their

opponents traitors. Judges were

notified and Henry (still head

of the Secret Service) actually

handed him a sealed

envelope containing

the secret evidence.

The *Secrétariat d'Etat* to Paris

political society in these years

as described by Mr Bredin, seems to have been: Liberty, Equality, Fraternity, Forgy.

But the tide began to turn

when respectable political

leaders and lawyers started to

join the hated "intellectuals"

(now a term of abuse) in

championing Dreyfus. Leon Blum, Clemenceau and Poincaré became convinced of

Dreyfus' innocence, and so

supported Mathieu Dreyfus, who

already had Zola, Anatole

France, Froust and André Gide

on his side.

Dreyfus himself was not

brought back from Devil's

Island until 1899, nearly ruined

in health, only to lose in yet

another Court-martial. Finally

in 1906, after 12 years, he was

declared innocent, and re-

instated in the Army, with all

honours. He served at Verdun

in the 1914 War, and lived on

until 1935.

The conspirators and crimi-

nals all escaped scot-free, apart

from Henry, who cut his own

throat, and was never

tried.

General

Brasillach, the

chancery, the

Army, the

police, the

Army, the

THE HONEYMOON is over but the shows still go on. The arts in France have had a tougher time in the first year of the new Government, but the expansive generosity of President Mitterrand and his popular socialist Minister of Culture, Jack Lang, could hardly be sustained for ever. Subsidies to the arts were doubled. In the past year, Lang's big projects have been maintained, notably the opening of the Musée d'Orsay, but somewhat modified: the Bastille project for the second opera house has been rationalised and cut back, while many theatres and dance companies have had budgets trimmed or withdrawn.

The new Minister of Culture is the dashing, ambitious François Léotard. His office representative at the Ministry, Mr. Roch-Olivier Maistre, rehearsed the Léotard policy priorities of "patrimoine" ("renewal of old buildings") and artistic education in communities and schools. Cuts are denied. Figures produced to prove nothing has changed. The fact is that Léotard is much more interested in the prestigious plans to complete "le voie royale" of great museums — the Beaubourg, Louvre, Orsay, Jeu de Paume and the Grand Palais — and to restore the Arc de Triomphe (at a cost of about FF 35m (£3.55m), FF 20m raised from private sponsorship, possibly American Express) than he is in the performing arts.

In this he is only reasserting a patriotic tradition and returning to the funding emphases before the socialist government. Ironically, President Mitterrand has been appealed to by Léotard to intervene in removing the stubborn Finance Minister, Mr. Edouard Balladur, from his Louvre headquarters to make way for the extension work. The Mitterrand/Lang years have at least guaranteed some kind of arts programme for the next few years. Subsidy for the theatre stands at FF 50m, for music at FF 50m, for

music at FF 50m.

Some 90 per cent of this subvention goes to Paris, and Léotard is anxious to restore the 1980 equal split of funds between Paris and the country. This accounts for the unmeasurability of Jack Lang's favoured metropolitan directors in the five national theatres (four of them in Paris, one in Strasbourg) and the Maisons de la Culture.

Last December, Ariane Mnouchkine led a demonstration of 5,000 artists on the Paris streets; dancers and choreographers staged a mock "die-in" at Avignon a couple of months ago; and the fashionable Parisian avant-garde is openly contemptuous of the new director

Artistic priorities in Paris are changing.
Michael Coveney reports from the theatre

Classic dilemmas



Scene from Pirandello's "Tonight We Improvise" directed by Lucian Pintilie

at the Comédie Française, the distinguished boulevardier Jean Le Poulain, with his private theatre connections and bland ambitions ("Je ne suis ni un conservateur débridé, ni un avante-gardiste déchiré," he declared in a recent interview in *Le Matin*). *

The point is that, under Jack Lang's nose, Jean-Pierre Vincent, the Comédie Française's new beginning, once again to attract Europe's leading directors and Paris's liveliest actors.

A legacy of the policy will be November's *The Merchant of Venice* directed by Luca Ronconi. Meanwhile, the repertoire includes Jorge Lavall's revival of Corneille's *Polyeucte* which may not be as incandescently exciting as Giorgio Strehler's *L'Urssia* of Corneille for the *Odéon* a few years ago, but which certainly satisfies the first requirement of the Comédie's charter, that of presenting the great classical

drama in a suitable contemporary style.

Polyeucte deals with the per-

secution of early Christians in the capital of Armenia. The governor's daughter, Pauline, loves the converted Polyeucte who chooses martyrdom at the governor's command and betrays the Roman soldier Sévère Laval and his designer Louis Berard place the action in a circular sunken pit surrounded by huge, burnished panels (made of wood) and cloth the actors in soft flowing garments.

There is a feeling of Peter Brook's Oriental neutralising

austerity to the proceedings, especially in the great last act

tri between the governor Felix

(Jacques Serays), Polyeucte

(Richard Fontana) and Pauline

(Claude Mathieu), as a huge

descending desk lamp, hitherto

representing the sun and the

sky, forces the characters to

their knees and encourages an

intimate pow-wow over by

Giorgio Strehler.

Something new again is being fed into this French house style by a new name, Alain Françon, whose *Hedda Gabler* revival at the breathtakingly intimate *Theatre de l'Athénée* (until April 25) is instinct with a chill, nervous high-style, much influenced by

Giorgio Strehler.

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breathtakingly intimate *Theatre de l'Athénée* (until April 25) is instinct with a chill, nervous high-style, much influenced by

Giorgio Strehler.

Dominique Valadier's, Hedda

is a nasty piece of work, a

professional virgin with a

father fixation that has frozen

into an obsessive, almost

clinically defined morbidity.

The liveliness of this reading is

quite original, miles away from

the usual mangled drapery

draws who failed to achieve

success on honeymoon.

The *Teisman* of Bertrand Bonvoisin

is similarly fresh, a genuinely

sympathetic bookworm of

great charm and natural move-

ment broken up with odd, self-

assertive gestures such as stick-

ing his arm out for Hedda

to link with while she is

seated on adjacent chairs.

The triangle is completed by

Jean-Yves Chatelais' compul-

sively watchable *Judge Brack*,

a reptilian sallow-faced villain

at the final curtain. This *Brack*

joins in *Teisman's* reminiscent

yodelling run to the draw-

ing room and annexes *La*

Ballade at meeting Mrs Elvira

with the expression of a man

who has just found a worm in

his pocket.

After his *Macbeth* fell foul

of critics and the mistral at last

year's *Avignon* Festival, Jean-

Pierre Vincent recovered with a

well-received *Six Characters* and

has now delivered a glorious

reprise of *Figaro* in a topless

state. But as often in the past at

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that here was a play whose time

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Saleroom

Antony Thorncroft finds the faults in Paris's only auction house

THE HOTEL Drouot is the Sotheby's of Paris. It is also Christie's, Phillips, Bonhams, and so on. It has a monopoly of the auctions and no one is very happy about it—not least the Hotel Drouot.

While in London it is easy to get a dealer to attack the salerooms and vice versa. In Paris both sides of the argument unite in attacking the French Government. They are well aware that Paris has long lost any pretension it ever had to being an important international art centre; government taxes, bureaucracy bungling, and vested interests take the blame. In such a centralised state the ambiguous "them" are natural villains. Sometimes, lack of business acumen in the French character is confused to justify the malaise in the city's art world.

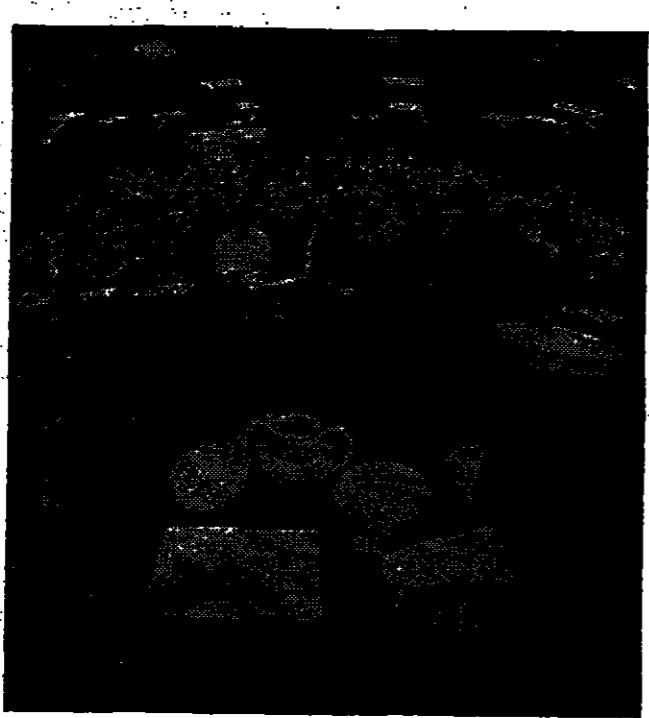
But a change is on the horizon. The Commission Martineau is threatening reforms which could break the power of the Commissaires Priseurs, the 90 or so officials with the sole legal right to hold auctions in Paris.

By 1992 Sotheby's and Christie's could be allowed to set up shop in the city. It might take little longer for the French to dismantle the controls which禁锢住 their exports of works of art, or the delays that bureaucrats impose on overseas collectors wishing to buy in Paris. But there is widespread agreement that taking a narrow, national line in a global art market leads down a blind alley.

So anyone getting to grips with the Paris art market could be in at the death throes of the ancien régime. Auctions there certainly have a Dickensian atmosphere, reminiscent of the smooth operations of Bonhams or St James's in London. The Hotel Drouot occupies a new building in the street of that name. It must be one of the most ill-conceived structures erected in the last 10 years—quite inadequate in its job in that lies its charm.

The scene might be from a Rowlandson drawing. The place will be people, some placing the small rooms where auction are being held, others crammed in to view the goods for forthcoming sales are laid out on display. Most auctions cover a wide range of antiques, although there are attempts to group together pictures, or books, and to ensure that items of roughly the same value are sold together. Down in the basement a pile of furs can fight for attention with an antique radio receiver and some really

Oxfam for the well-to-do



The Hotel Drouot; an ill-conceived structure for its job

pornographic posters. It is like an Oxfam shop for the well-to-do.

Not many of the participants in this idle throng can be dealers, or keen collectors. Some are Parisian housewives observing the estates of deceased friends. Some are sharp-tained connaisseurs well aware that the dubious expertise of the Commissaires Priseurs allows many a bargain.

Indeed, the C.P.s, in practice, the restrictions of exports are more threatening than ever. Occasionally an obscure figure will leap up at an auction and declare that he is pre-empting a lot just sold on behalf of a French museum, but the red tape and the taxes and the delays are mainly in the imagination.

The basic fact is that Paris has lost confidence in its own expertise. In certain markets, such as books and coins, it is

specialists rank with the best in the world. But, even in French pictures, foreign institutions and the international salerooms have the more respected experts. Many of the great Jewish dealers did not return to Paris after the Second World War, and the city has never developed the traditions of the family business that have kept London firms like Agnew to the fore.

In fact the splitting up of estates in France is one reason given for the demise of the art market. With all heirs receiving something, the opportunity to keep collections intact is lessened. Princess Jeanne-Marie de Broglie, Christie's representative in Paris, tells of heirs splitting up pairs of earrings in the division of an estate. Like her rival at Sotheby's, Marc Blondeau, the French uses her social contacts to whisk French works of art away for sale abroad. It was Blondeau who persuaded the executors of the late Duchess of Windsor to go to the Geneva sale rather than accept a very large offer from Al-rayed for the entire jewellery collection.

There are still leading dealers in France, notably Robert Schmidt in the Impressionists field, and Daniel Malingue, who specialises in early 20th century art. Both declare that you must be crazy to be a dealer in Paris. Every year the supply of worthwhile pictures gets less, and the wisdom-toodness of the authorities greater. Then they show you their stock.

Schmidt is a treasure-trove of works by Toulouse-Lautrec, Cézanne, Sisley, Pissarro, all the big names; Malingue has a shiny show planned for later this month.

The French may not be major buyers, but Japanese, Americans, Swiss, Germans and South Americans passing through Paris seek the dealers occupied. And they really do hate to sell, because they know how little it will be to replace stock.

Difficult, but not impossible.

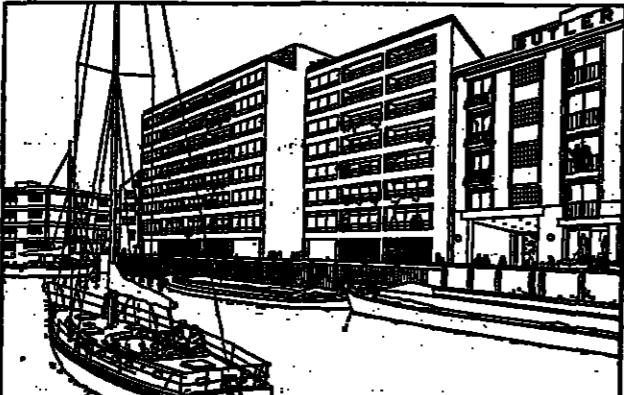
These French dealers know the location of most of the major paintings by the great French artists of the last century. When the moment is right they make their offers. Now, with the weak dollar, they are buying as many pictures from the US as they can afford. Paris might not be making much of a show in the auction public gaze, but French dealers have learned how to be secret international art raiders par excellence.

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Property

"BUYING an apartment in the Marais was quite an adventure," says Pamela Readhead, an American who has lived in Paris for five years. "When we are having problems I feel like selling, but at least I'm sure we would have made a bit of profit."

The apartment was the type to tempt many a foreigner who arrives in Paris to find sky-high rents and housing in short supply. At the top of an historic block in an area of the city being swiftly gentrified, Pamela and her engineer husband found 60 sq metres belonging to an old lady. The asking price was FF 10,000 a sq metre, well below the average in 1985.

There was an enormous amount of work to do. "We had to gut the place and renovate everything. My husband was able to manage the project, otherwise I think the job would have cost us far too much," she says.

As it was, the couple had to shop around to find a loan at 14.75 per cent (fixed rate) to cover purchase and renovation costs. "In 1985 some people were paying 16 per cent, so we thought we were lucky."

The process of buying a home in a foreign country is always likely to produce unexpected headaches. In France, for instance, it is up to the buyer to do his or her own searches to find out if the city planners have demolition or reconstruction projects in hand.

In this case nothing showed up, but nevertheless the following year saw a demand for FF 20,000 a townhouse, maintaining a newly revitalised road at the back of the property.

"We had no idea the authorities planned to do up the road at our expense—neither did the other people in the block. One old man was eventually forced to sell his home to pay for the road. I have no idea what happened to him in the end," says Pamela.

The process of buying property in France hinges on the *procès de vente*, at which point buyers hand over a retainer for about 10 per cent of the price, which cannot be reclaimed if they change their mind for any reason.

Here again, the couple came up against a problem. "We were told the papers had to be signed in a hurry, but we were not familiar with French procedure and didn't find out until later that the vendor should have been present and that the cheque should have been paid out to her. As it was, the old lady never signed our documents."

On top of the purchase cost, and a down payment in cash of 20 per cent upwards, purchasers have to pay a further 10 per cent notarial fee to make the transaction legal.

Once the weeks of paperwork

Pamela Readhead talks with an American in Paris

Headaches of buying a flat



Behind the tourist facade, Paris housing is in short supply and unexpected problems can complicate purchase of a property.

were finally completed, the couple ran up against another formidable Parisian problem—the management *syndic*. These are the authorities which manage apartment blocks. They have access to water, gas, telephones and so on, the ear of the taxman, and are as difficult to move as the Mafia.

"When you sign a lease or there's a problem with the drains, you are obliged to go through the *syndic*, explains Pamela. "I suppose you could run your own apartment but

you'd probably have to give up your job and do it full-time."

The Marais, between the Bastille and the Pompidou Centre, is one of the areas where property prices have risen most sharply in the past few years. Since 1984, for instance, the price of a renovated apartment near the Place des Vosges has risen from FF 25,000 a sq metre to FF 40,000.

"There has been a great deal of demand for top-quality property by people who have taken a sudden leap, there would be more likely to take a more expensive holiday than move

managing director of one of the largest estate agents in Paris.

"Prices rose very quickly last year and business was good at the top end of the market. There is still a lot of demand for exceptional properties. If we put a small ad in the *Figaro* for something good in the Latin Quarter, we get at least 30 telephone calls."

Féau explains that while buyers are prepared to pay a high price for a large apartment in a good area, the market as a whole is still slow.

"People look at prices in the Marais and thought that their apartment in a lesser area was also rising in value. But it doesn't follow. Most French buyers are not prepared to pay over the odds for their housing."

"We have reached the curious situation where the supply of ordinary apartments outstrips the demand. Certainly, it is becoming impossible for a tenant to buy," says Féau. "The prices are still stable."

In Paris, young people are

unused to the idea of moving to a run-down area, doing up an apartment and waiting for the whole block to smarten up.

"If you were born in the 18th arrondissement, you always imagined you'd stay in the same quarter when you married," explains Féau. "Even in 1982 when rents in family apartments in the 18th cost FF 15,000, it was possible."

"Today, an apartment of 150 square metres in the 18th would cost FF 45,000—before it's done up. Young couples are being forced to move to Levallois or Boulogne."

Although interest rates have fallen to an average of 10 per cent, and there are special loans and tax incentives for property improvement, there are few signs that the market is likely to perk up in the short term.

The building industry is France's fifth largest employer and in the past 10 years more than 300,000 jobs have been lost. Over the same period, building starts have dropped by 100,000, and of the 235,000 starts in France last year, only 45,000 were by private investors.

While investors return on rental yields which are 3 per cent, there is unlikely to be any new enthusiasm for building residential property in Paris.

Even in the suburbs, local authorities have an eye on the ballot box when they encourage commercial rather than residential investment.

Traditional attitudes also take a long time to change. The French pay an average 25 per cent of their income on housing and find that quite enough. Even if the sales were to make a sudden leap, there would be more likely to take a more expensive holiday than move

house.

Once the weeks of paperwork

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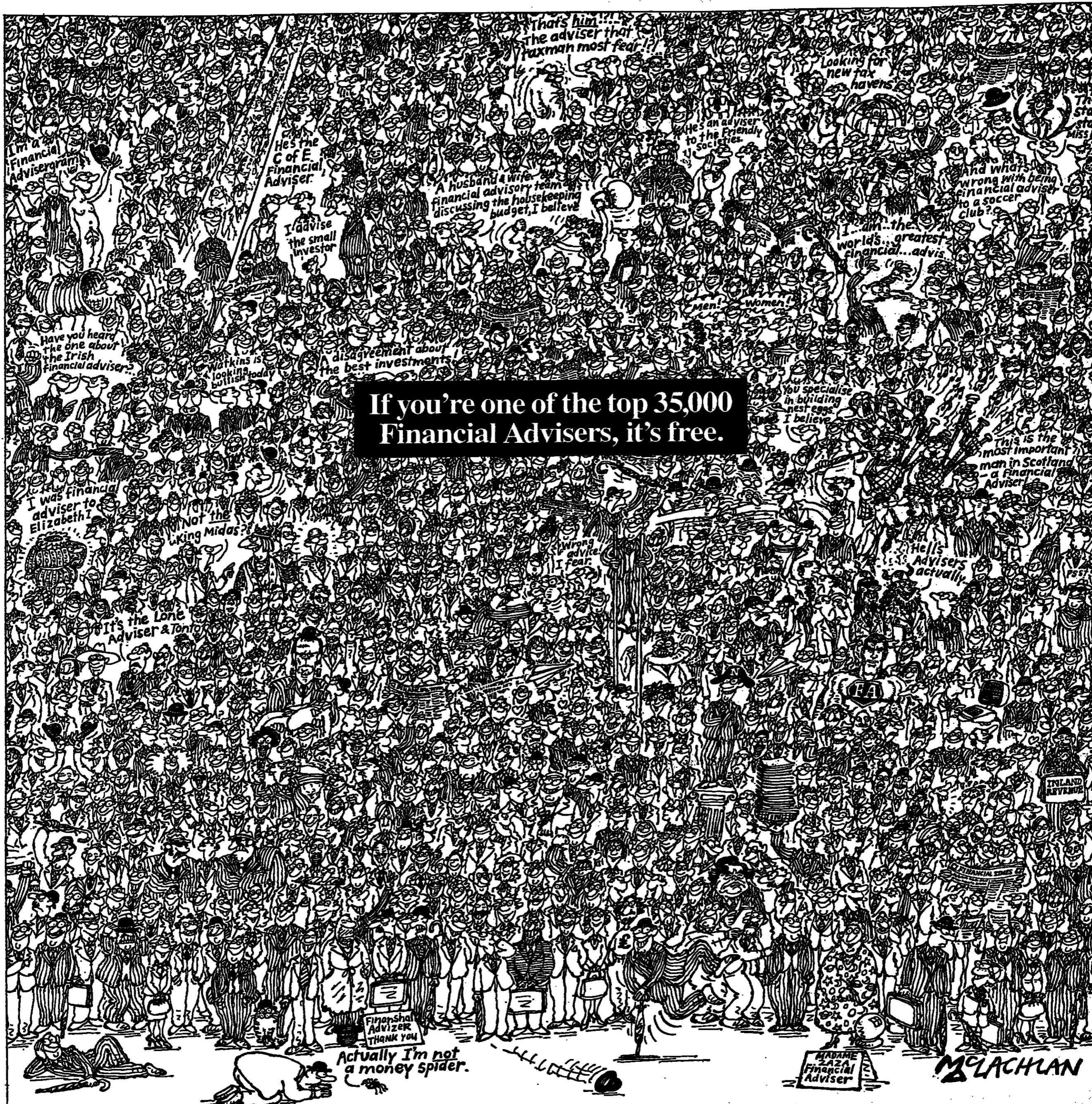
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Colin Amery casts a discerning eye over modern architecture in Paris

A Parisian affair with high-tech

There is no doubt about it: Paris is having a love affair. As a city and a capital she has fallen for the high-tech dream in a big way.

In true French tradition architecture is being used to express the ideals of the state and the city. Louis XIV and Napoleon would have under-

stood perfectly the sentiments of President Mitterrand when he wrote in 1981, launching the *Grand Project*: "My wish is that (they) will help us to understand our roots and our history; that they will help us to foresee the future and to conquer it. The grand projects illustrate a constant ambition

shared by the entire nation." Not the kind of words that you see coming out of No. 10 Downing Street as we approach the millennium.

The scale of these great projects, designed to celebrate in permanent form the events of 1789, is colossal. There are nine schemes in Paris and it is worth

listing them all:

Le Grand Louvre; L'Opéra de la Bastille; La Tête Défense; Le Nouveau Musée des Finances; La Cité de la Musique; Le Musée d'Orsay; L'Institut du Monde Arabe; Le Parc de la Villette; La Cité des Sciences et de l'Industrie.

It is incredible to think of building a new Versailles for the 20th century—for Paris they are building several. Anytime visiting the Louvre today already has a sufficient sense of its gloom to the point of exhaustion and that is before you start looking at the exhibits. But the Project du Grand Louvre is bent on making the place even larger.

It was President Mitterrand who decided that the whole of the palace of the Louvre should become the showpiece of the nation and that the Finance Ministry that has so gloriously occupied the north wing for generations should be moved to a new building. At this moment it is still a matter of some controversy. Even as the new ministry is being built on the banks of the Seine to the east of the centre of Paris, M. Hallard, the finance minister,

refuses to contemplate giving up his Louvre offices to M. Lebart the minister of culture.

The American architect I. M. Pei has been selected to design new parts of the Louvre. His master plan includes the controversial pyramid in the centre of the Cour Napoléon—the large courtyard that faces the Tuilleries between the two great wings of the palace. It is all very rational. Under the great court will be the new public reception areas and spatially the new central axis of the Louvre will be marked by the new glass pyramid. You can see the outline of this giant faun at the moment. It has been erected in scaffolding to indicate its size and scale.

When the pyramid is built it will be surrounded by water and fountains. In the publicity material at the excellent public exhibition the pyramid is defended in this historic setting—"contemporary creativity cannot be stifled by a passive respect for one's heritage." Public facilities in the Louvre will be increased by some 160 per cent and the exhibition space in the palace by 80 per cent.

The decision to move the civil servants out of the palace meant that they had to have a new building of some quality to house them down the Seine. An architectural competition was won by the Atelier d'Urbanisme et d'Architecture, a group of designers led by Paul Chemetov and Boris Hildebrand. In the way that the western entry to Paris is marked by the Eiffel Tower the eastern entry to Bercy will now be marked by the new ministry building. They resemble a large viaduct poised to cross the Seine.

The new ministry is a huge and monumental building—the main stage will house some 4,700 civil servants and the decision by the architects to stress what they call the "positive aspects of the civil engineering art" means that it is going to be a highly rational and almost ruthless design. Harnessing the talent has been a problem but when he succeeds for a spell—as we saw in last year's Wimbledon semifinal against Becker—Leconte is turned himself into a champion.

Although Henri Leconte has not yet achieved the same goal, he very well might because he has more raw talent than any other currently playing the game. Harnessing the talent has been a problem but when he succeeds for a spell—as we saw in last year's Wimbledon semifinal against Becker—Leconte is turned himself into a champion.

In 1914 Suzanne, 14, had won

the world's hard court championship in Paris, but Charles Suzanne's son, Teddy, became the leading fashion designer in tennis (remember Gussie Moran's late edged panties in 1927?) and is now chief of protocol at three of the four Grand Slam championships. Suzanne had been trained assiduously in tennis technique and ballet by her father, Charles, the tennis secretary of the Monte Carlo Country Club. He would place handkerchiefs as targets in the corner of the court for her to hit and would constantly seek good male opponents for her to practise against.

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This was the golden age of French tennis. Between 1924 and 1963 the Four Musketeers—René Lacoste, Henri Cochet (who died nine days ago in Paris) at the age of 85, and Jacques "Toto" Bégin—won the Davis Cup six times for France and between them raised the Tricolor eight times over the Stade Roland Garros in Paris and six times over the All England Club at Wimbledon.

The effervescent Bégin, a quicksilver mover with a brain

to match, had been bred on the pelota courts of the Basque country. He was a champion with the deadly bite of a cobra-like in his flashing racket.

France also gave us the first post-war Wimbledon champion, in 1948. Yvan Petre was a

genial giant of a man, the last

champion incidentally, to wear

long flannels.

The latest French leaders are every bit as entertaining and skilful as their famous predecessors. Ever since I saw him as a gangling 13-year-old in the young French team that played at Winchester in 1973, I knew Yannick Noah had the talent to be a great player. I was

revelled in his womanly form.

Scandal gave way to admiration. The Lenglen bandos and the

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had captivated everyone by her effortless, balletic movement and supreme ball control. More than that, she had liberated a whole generation discarding the stints that were de rigueur at the time and playing during a lethargic eighteenth century that was revealed, her womanly form.

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Finance & the City

Major changes are planned but the London model won't be copied, says George Graham

Not quite a Big Bang for the Bourse

THE FACE of change in Paris's financial markets is already catching some French financiers short of breath. Over the next few years, however, the pace is set to quicken and the Bourse, an ornate 19th-century building standing half-way up the Rue Vivienne, is about to undergo a structural change as radical as anything in its history.

France's stockbrokers must be among the best paid civil servants in the world. Their status, technically speaking, is that of government officials, who must swear an oath to the minister of finance. In return, they have the monopoly over securities dealing.

However, the stock exchange boom of the past five years has seen turnover on the Paris Bourse multiply 10 times while the fixed tariff of brokers' commissions has been unchanged. The result has been a significant increase in the brokers' income.

The reform now proposed for the Bourse's structure will, in addition, give them the opportunity to emulate the buy-out premiums of those London brokers who a few years or



The Paris Bourse . . . radical change is coming over the next few years

months ago sold the capital of their partnerships to the big British and overseas banks.

The plan is for banks or outside investors to be allowed to buy up to 30 per cent of a broker's capital from next January, rising to 49 per cent in 1989 and 100 per cent from 1990.

In 1992, however, when the

European Community is due to open up the frontiers between its member states for financial services, the stockbrokers, or agents de change, will lose the very place trading is managed. The Bourse authorities aim to keep a single, centralized market, where for most shares or bonds there is only one price-fixing every day. Not do they have

any intention of ending the fixed scale of commissions, as the London exchange had to do. Dealing on the Paris stock market, however, expect there will have to be some modification of the trading methods used, if only because the modernisation efforts of the past few years have led to such a multiplicity of dealing mechanisms that even the brokers themselves sometimes get confused.

The main division on the Paris exchange is between the monthly settlement market — including most of the leading shares, where investors pay for their purchases at the end of a monthly accounting period — and the cash market, where settlement is immediate.

Besides the SICAVs, French investors also have the option of the more volatile Fonds Communs de Placement, or FCPs. Like SICAVs, they are essentially unit trusts, but their minimum size is only FF 2.5m and they have no investment restrictions. They can, for instance, be 100 per cent invested in shares.

FCPs are limited to a maximum size of FF 500m, however, so that banks and fund managers tend to close one fund and open a new one as soon as the ceiling is reached.

Unlike SICAVs, which are priced only weekly or even fortnightly, entry and exit fees may total up to 4 per cent but annual management fees can rise to 2 per cent for the smaller funds or 1.5 per cent for those which are larger than FF 180m.

G. G.

Private joys

FRENCH investors have discovered the joys of buying shares directly since their Government launched its privatisation campaign.

However, the money to subscribe for the flotation of St Gobain, Paribas or Sogefran appears to be coming from those who have deserted their mutual funds, which have continued to grow in size.

The Sociétés d'Investissement à Capital Variable (SICAV), which is France's form of unit trust, took in FF 30bn (£2bn) of net new subscriptions in the first two months of the year alone.

With the help of a buoyant stock market the total value of funds under management in SICAVs has now topped FF 100bn, 10 times that level three and a half years ago. To comply with the law, an individual SICAV has to exceed FF 50m. Considerable numbers of them have topped FF 1bn, while Uni France, run by the Credit Agricole Banking Group, manages more than FF 17bn.

All SICAVs are, unlike their British counterparts, compelled to keep at least 30 per cent of

their assets in bonds or liquid assets. This applies even to SICAVs which are labelled as specialising in equity investment.

Many of the specialist equity funds were set up under the auspices of the Monitory Law for encouraging investment in French companies. They have to keep at least 60 per cent of their assets in French shares, and give investors the right to up to FF 1,750 a year of tax rebates.

SICAVs governed by the Monitory Law and its successor legislation, whose tax incentives are coming to an end this year, amount to FF 117bn. Although the rise of the Paris stock exchange is helping the total of funds under management to rise, these funds are now suffering net withdrawals.

A considerable number of SICAVs, however, invest only in short-term bonds or in money market instruments such as treasury bills.

Fund managers can levy both entry and exit fees on SICAV investments, but the total of these fees may not exceed 4.75 per cent of the investment. Annual management fees are limited to 1 per cent.

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G. G.

INVESTMENT IN FRENCH MUTUAL FUNDS (SICAVs)

FFr bn

Year	Total	French shares	Short term
1980	62.6	14.3	—
1981	72.3	14.5	—
1982	104.2	17.3	12.1
1983	190.8	32.7	24.8
1984	298.6	37.9	31.2
1985	407.6	60.5	30.1
1986	701.7	104	30.9

Sources: Commission des Opérations de la Bourse

Over 70 money market SICAVs account for FF 1,325bn of funds under management, and are used by private investors and company treasurers as a substitute for an interest-paying bank account.

Another 100 SICAVs are also classified as short term and manage more than FF 200bn of funds, while long-term bond funds account for FF 180bn.

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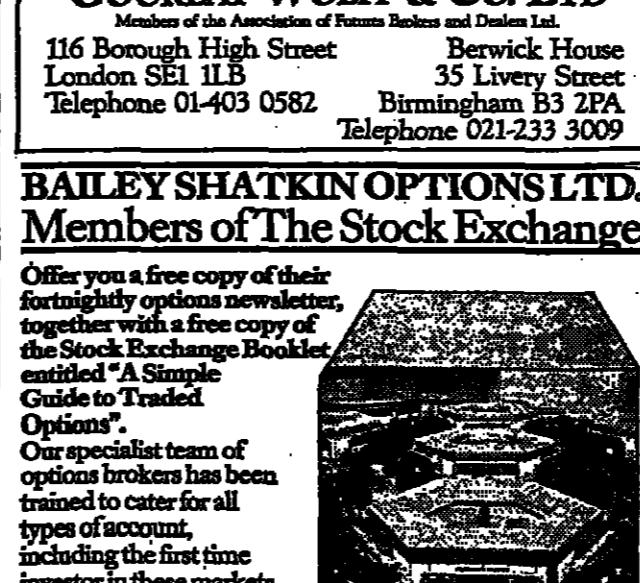
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Finance & the family

George Graham looks at savings and share-owning incentives

Tax breaks spur investors

FRANCE created a prototype for savings incentives designed to boost investment in shares when in 1978 it created the "Loi Monory."

Other countries paid tribute to the Monory Law when they created their own incentives for equity investors.

René Monory, the Economics Minister who gave his name to the law in 1978, is now Education Minister in the Government of Jacques Chirac. He is having an unhappy time coming to grips with the reform of France's higher education system, and to round off his troubles, the share savings accounts which sprang from his 1978 law are due to expire at the end of this year.

Only those who were born before January 1952 will still be able to benefit from the original Monory share purchase incentives, and only if they have an account open already.

France remains a champion of the savings incentive, however, and investors still have a daunting array of tax breaks to choose from.

The selection starts with a range of government bonds and savings books which pay interest tax-free. The main savings

	PERCENTAGE OF HOUSEHOLDS HOLDING FINANCIAL ASSETS
Income over	100
Bank account	94
Credit card	43
Savings book	83
House savings	23
Bonds	9
Mutual funds	12
Shares	7
Life insurance	31
Main home	63
	74

Sources: Financial Assets Inquiry 1985.

books, offered both by the Post Office and by the network of savings banks, pay 4.5 per cent a year.

Tax-free interest is also offered by the house purchase savings accounts. In return for a five-year savings contract, the investor gets interest from the bank, a premium from the Government and a guaranteed sum at the end of the five years.

Only around 52 per cent of French citizens own their main home, with 18 per cent owning a second or holiday home, and 22 per cent have some form of

home purchase savings account. The Government hopes its latest initiative will help provide a long-term solution to the problem of paying for the retirement of an ageing population.

The Plan D'épargne Retraite, or retirement savings plan, is modelled on the US system of independent retirement accounts. A saver can place up to FF 6,000 a year — FF 12,000 for a couple — in a special account, invested in shares or bonds, or used to buy an annuity from an insurance company.

The payments into the plan can be deducted from the saver's taxable income, and investment will not be taxed. A married couple with two children, earning FF 20,000 a month, could therefore save FF 3,600 of tax a year.

Withdrawals made after ten years but before reaching the age of 60.

Critics of the plan, which is waiting to pass through Parliament, say the ceiling of FF 6,000 a year is much too low to achieve any serious provision for retirement. Parliament's Finance Committee suggested doubling the limit, but was slapped down by the government.

But the biggest carrot of all for French investors is not one that can be officially categorised as a savings incentive; it is the privatisation programme, which has introduced millions of new shareholders to the market. So far at least, it has given them a foothold of opportunity to invest in a rising share.

The problem has been that so many investors have plunged into the privatisations that orders have had to be fiercely reduced to spread the shares around.

The flotation of Paribas, the banking group which was the second company to be privatised earlier this year, drew 3.6m subscribers, doubling the number of direct shareholders overnight.

Each individual applicant received a maximum of four of the FF 405 shares.

With Sogesal, a much smaller banking group centred on the Alsace region, the success was even more shattering. The bank had already split its shares by eight in order to have more to hand around. Even so, orders had to be scaled down to a maximum of six FF 125 shares each.

The worst affected are the institutions, who received nothing at all in these public share

With 65 companies on the government's privatisation list, this thirst for shares is not expected to be indefinite, but it has, for the short term at least, provided the incentive for millions to invest.

Funds eye France

AGAINST A background of disappointment in European performance this year, France stands out as the favourite market, or rather the largest and most marketable of a group of favourites which also includes Belgium and Spain.

For a few months now there have been two unit trusts dedicated to the French market: Duménil French Growth and EBC Amro French Growth, MIM Britannia in the latest to lap in with a similar fund.

It is somewhat early to look at performance, but on short-term offer-to-offer figures from MIM, both Duménil and EBC Amro come off well against the recent European sector average: 14.4 per cent and 10.5 per cent respectively over three months.

The Duménil fund, advised from Paris, takes advantage of its local knowledge to go for less well-known companies. A number of holdings, says Duménil unit trust group managing director Christopher Fawcett, are companies dealt on cash settlement rather than monthly settlement. Such stocks tend to be well researched; often they are not covered by coverage analysts.

On the whole the trust has avoided the exporting and luxury goods companies, which look expensive and are vulnerable to the weaker dollar. The trust's three "heaviest" sectors are property, paper and retailing, with holdings in Rive Gauche shops representing a typical assets and earnings play. Like a number of quoted UK fund management groups, the trust has also done well out of a holding of the Duménil

group's own shares, which have kept up by over 40 per cent since purchase. Fawcett describes the fund as "fairly aggressive" and puts the emphasis on stock picking, not on sectors.

He believes the market will continue to do well, following the success of privatisations.

Joe Public is now interested in shares. The Saint Gobain and Paribas privatisation issues were very oversubscribed. The French have far bigger reserves in gold and property than people realise," he says.

"The younger generation is buying the market, the under-50s, who have no experience of the last war and are less averse to risk.

Hein Coelen of EBC Amro is also confident about the French market over the next few years. He sees it "where the UK market was three or four years ago." The main factors represented in the EBC Amro portfolio are construction, capital goods and financials. Between them these account for 38.1 per cent.

Assuming you feel that a fund invested solely in France is a bit risky, what are you likely to find from managers of general European growth trusts? We spoke to the managers of three of the current top one-year performers: Fidelity European (up 42 per cent over a year to April); Sentinel European Growth (up 41 per cent) and Scottish Widows' Pegasus European (up 34.6 per cent).

All three managers would probably agree with Fidelity's Anthony Bolton in describing themselves as "cautious bulls," though the percentages they

have invested in the French market vary quite widely. With 20 per cent of his fund in France, Bolton is beginning to feel the market looks fully valued. He is happy to stay at present, though future moves may be to reduce "rather than to increase."

Pegasus fund manager David Park has 35 per cent in France, and "will be keeping it there." He thinks there is "more to be positive about in France than in other countries," and sees technical factors which suggest continued good performance.

But he agrees with Anthony Bolton that France is "no longer particularly cheap, and you have to be selective."

Suzanne Turner, whose aggressively contrarian moves have so far made the Sentinel European Growth trust a top performer, departs again from the consensus — while not disagreeing with the basic view of the French market expressed by the others. She reduced her weighting in the French market to 16 per cent during the last week in March, having had 36 per cent to 40 per cent of her fund invested there until recently.

She has moved away from France into the languishing German market because she had "made a lot of money in France," and sees "an easy 10 per cent to come in Germany — much faster than we could expect the same increase in France."

She has no doubt that she will buy back into France, because she sees the French market as best on fundamentals for the year.

Christine Stopp

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Value of Pension Fund over 10 years to 1st September 1986

Source: 10 largest providers of pension funds. Source: Standard & Poor's, November 1985.

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The Daily Telegraph, Sunday 1st December 1986.

All too often, this decision is taken as a result of comparing projected growth figures, whereas the only realistic basis for comparison is achieved growth. The table above compares the actual results of an investment in the Target Pension Fund — linked to the Target Managed Fund — with three leading with profit policies and two other unit linked plans invested in managed funds.

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LAST CHRISTMAS, I made my wife a lord. This surprise present cost me £7,000 at an auction of lordships of manors held by Strutt and Parker in London.

Judging by the results of the auction by Bernard Thorpe and Partners last month, my wife is already showing a profit of £4,500 should she decide to sell her title. According to the auctioneers, the average price paid per lordship at that auction was £11,500—an increase of 25 per cent on their own earlier auction in November.

The price of lordships of the manor depend on many factors.

For example, 12 of them are sold with ancient historical documents being physically transferred to the new owner of the title. Generally lordships sold with old documents fetch prices higher than those without.

Some parts of the country have more lordships than others and this, too, can affect the price.

In Oxfordshire there are a total of about 750 lordships, while in Norfolk, alone there are 2,000.

I believe that another important factor is the actual name of the lordship itself. For example, at the Strutt and Parker auction in November, the lordship of Pigott's Arleigh was withdrawn from the sale at the £11,500 mark. The price offered was only £9,500. This was because being known as the lord of the manor of Pigott's Arleigh sounds somewhat less attractive than being the lord of the manor of Clayton (which was sold for £7,500).

Similarly, at the Bernard Thorpe auction in March, the lordship of Cleckheaton went for £10,000, whereas the lordship of Walsoken-Thame went for £16,500 and the lordship of Shepperton for £23,000.

However, having now attended five such auctions, I believe what really makes the price jump is two or more local inhabitants of an area covered by a manor competing against each other for the honour of the title—or a foreigner trying



ALL THE world loves a lordship. Or so it appeared from the recent auction of lordships of the manor held by

Bernard Thorpe & Partners at the Butchers Hall livery company in London last month. It was standing room,

with potential bidders coming from all over the country. The 37 lordships sold fetched a total of £425,500.

Another advantage of owning a lordship is that it is debatable as to whether or not capital gains tax is payable on gains made from selling it, since most lordships do not possess any land and so all that is being sold is the title, which is hardly a "chargeable asset."

Investors' Tales

To sell a lordship, Bernard Thorpe and Partners charge 10 per cent plus VAT and a further £300 plus VAT towards marketing costs. Purchasers of lordships are not charged any buyer's premium nor VAT, so the price quoted on the fall of the auctioneer's hammer is the full price you pay.

As marketing, the manor receives more and more attention and attract the interest of foreigners and the US market. The price of them should rise still further. It probably will not be very long before a US newspaper buys a few, advertising them as "be an English lord—be a part of ye old England," and gives them away as prizes in bingo competitions.

It is only in the past 10 years or so that the price of lordships has risen dramatically, although prior to that they had still enjoyed a steady increase.

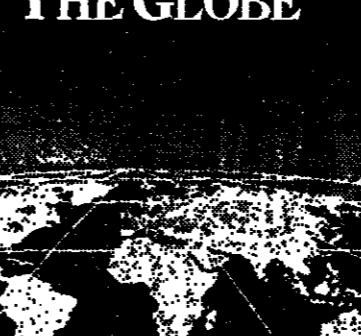
For example, the lordship of Westleton Grange, which I bought for my wife, came complete with certain mineral rights and a selection of fascinating old documents dating from 1689. Westleton is mentioned in the Domesday survey and at one time the lordship was held by the third Duke of Norfolk, and other owners have included Sir Harbottle Grimston. In 1858 it was sold for £350, and in 1986 was sold for £1,028.

Now, the price of a lordship worth \$11,500 or more—but my wife has no intention of selling it.

Not only does she appreciate its historical value but is rather amused that hardly anyone would imagine that the lord of the manor of Westleton Grange is a Chinese lady.

Kevin Goldstein-Jackson

GO FOR GROWTH AROUND THE GLOBE



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MARKETS

Nervous reactions

GOOD-BYE, Guinness. Hello, House of Fraser.

Just as the ramifications of the Department of Trade's inquiry into alleged share-rigging by the brewing group shifted to the High Court last week — eliciting the first explanations from Ernest Saunders, Guinness's former chairman and chief executive, and US Thomas Ward — a new probe was announced.

The DTI is to investigate the £615m acquisition of the stores group by the Al-Fayed family in 1985 — a victory for persistent lobbying by unsuccessful House of Fraser suitor Lourho, if nothing else.

The news, which follows recent inquiry announcements into shareholdings in Bremner, share dealing in ConsGold and lending by Standard Chartered during the Lloyds bid, was a perfect dénouement to a week of uncertainty and upheaval.

On Monday, it was all up-wards after the previous week's abysmal and opinion polls generated by Margaret Thatcher's Moscow visit appeared to point to an early election. So the FT-100 share index climbed 24.5 points and gilt-edged yields headed back towards 9 per cent.

Even then, though, the clouds — in the form of an erratic start by Wall Street — were gathering. On Tuesday and then again, any movement by

Wednesday caution was the watchword and the US warnings that the dollar's fall might prompt tighter credit policy took indices lower on balance.

By Thursday, falling prices on Wall Street and little concrete news from the Washington meeting of international finance ministers, spilled over into a near-14 point fall in Footsie.

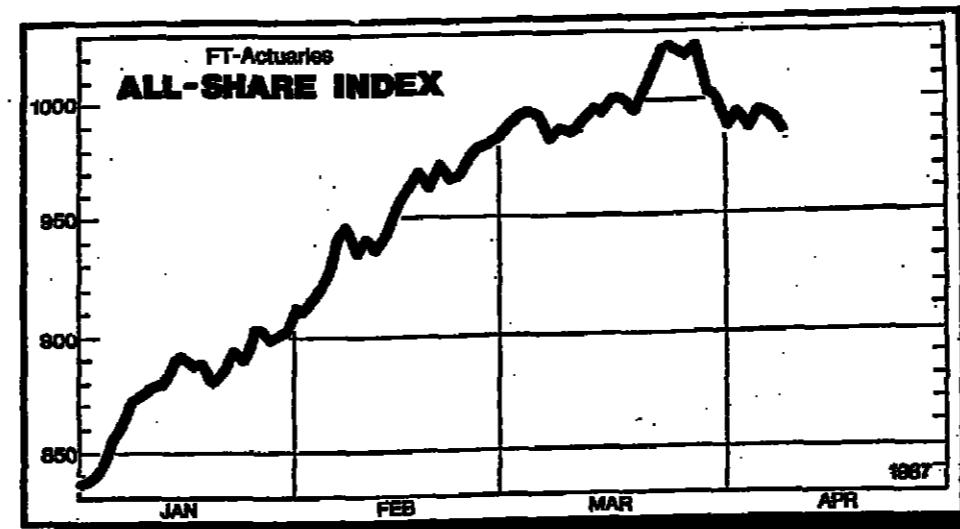
And on Friday, there was more interest rate fret: Footsie tumbled 20 points in the first

Gilt, by contrast, bore the brunt of the bad news. By Thursday night, the yield on high coupon longs was back to 9.17 per cent — compared with 8.9 in the post-Budget euphoria — and on Friday morning, there were further falls of 1 per cent.

Inevitably, the pessimists point to the charts. Broadly, these had suggested support levels around 1940, which since broken, seems ominous indeed. Kielwors Fricker predicts an eventual base between 1850 and 1900. But on fundamentals, little has changed, and London — on a current PE of 17 and prospective for 1987 of perhaps 14 — does not look pricy alongside its competitors.

As broken Wood Mackenzie point out, it is hard to see the opinion polls becoming significantly more bullish, so the edginess may well persist. But

Among the longer-running bid sagas, Avans's potential



London

two hours and by the close was — down — points on the day and — on the week.

For once corporate activity played as much of a part in market movements as the steady stream of seasonal results. For a start, there were the bids for Avans, and chairman John Randall is persisting with探討 about the buying of Rank food company by the Australian group Goodman Fielder. (Any concert arrangement is strenuously denied by both sides.)

With the offer due to close on Good Friday, Rank's holds 32 per cent — its target.

At Norcross, the market last week reminded its conviction that a higher offer from supermarket giant Tesco must be

forthcoming. Tesco's terms now

value Hillards at 308p, with a forecast of pre-tax profits at £38m — 17 per cent up on the year. But despite last week's first close, Tesco had 9.8 per cent of Hillards under its belt, but Hillards has received support from family holdings totalling close to 30 per cent. No prizes for seeing where the initiative lies.

Over at Norcross, the building materials and printing group, matters are more ambiguous.

The price of its predator, Williams, has steamed ahead since the bid was launched and, despite Friday's setback, stands around 780p. That values Norcross at 458p, against a market price of 438p.

Last week Norcross hit back

white knight remained in his Parisian chateau, and the Welsh food company is left to fight the £280m Rank Hovis McDougall bid unaided. Well, not quite — a couple of institutions rode to the rescue with public support for Avans, and chairman John Randall is persisting with探討 about the buying of

Rank food company by the Australian group Goodman Fielder. (Any concert arrangement is strenuously denied by both sides.)

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week reminded its conviction that a higher offer from supermarket giant Tesco must be

forthcoming. Tesco's terms now

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company	Value of bid (£m)	Value of market value (£m)	Price before bid (£m)	Value of bid (£m)	Market value (£m)	Ratio
Prices in £m unless otherwise indicated						
Anglo-Hispania	317.4	33	23.0	2.0	Smith & L.	
Apex Prop.	130.7	130	14.5	14.5	Rankhams	
Avans Group	610.0	600	20.0	20.0	EMI	
Bardwicks	174.0	175	12.7	12.5	Perseus Ind.	
Barth Car Auction	204	200	15.0	15.0	Mercury Group	
Barts (C)						
Car Parts	310*	311	21.0	2.0	Woolworth Holdings	
Central Standard Rate	425	305	26.5	26.5	Gillman House	
Chancery Phillips	144	137	12.0	12.0	Wardle Sturge	
Comcast	615	515	12.5	12.5	Atlantic Computer	
Crown House	320	310	22.5	22.5	Colossal	
Datavox	151	178	20.0	22.5	Bell South Corp.	
Deliver Invs	724*	70	40.0	17.0	Interface Owners	
Exco Ind	345.5	345	23.0	23.0	P & O	
Europa Ferries	150	245	24.5	24.5	Prized	
Garrett Booth	225*	225	22.0	22.0	Telecom (UK)	
Hillards	303	320	22.0	22.0	Telecom (UK)	
Imperial Fins	220*	210	12.0	12.0	Telecom (UK)	
Imp Cost Gas	700*	700	20.0	20.0	SEV	
Ind Leisure	210*	195	12.0	12.0	Telecom (UK)	
Johns Bros End	445*	555	22.0	22.0	Telecom (UK)	
Lendis & Nisus	944	504	20.0	20.0	Telecom (UK)	
Miles 22	605	580	20.0	20.0	Telecom (UK)	
Mitchell Somers	272	255	22.0	22.0	Telecom (UK)	
Monkside Ldgs	774*	774	22.0	22.0	Telecom (UK)	
Paradise	205	198	18.0	18.0	Telecom (UK)	
Perseus	203*	200	20.0	20.0	Telecom (UK)	
Perseus Tech	225	220	10.7	10.7	Telecom (UK)	
Scott Greening	297	280	12.0	12.0	Telecom (UK)	
Scotstar Socs	200	200	12.0	12.0	Telecom (UK)	
Shireen	622	657	40.0	22.0	Telecom (UK)	
Thermal	122	205	17.5	17.5	Telecom (UK)	
Trade Fairs Servs	204*	205	22.0	22.0	Telecom (UK)	
Ubi Lease	205	200	22.0	22.0	Telecom (UK)	

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. || Based on 2.30 pm price 10/4/87. || At suspension. # Shares and cash. ¶ Related to NAV to be determined. || Loss stock. || Suspended.

Nikki Tait

HIGHLIGHTS OF THE WEEK

	Price y/day	Change 1986-87	1986-87	
F.T. Ordinary Index	1,322.3	-22.6	1,325.2	1,320.2
Allebone	76	+16	77	53
Ashley Ind. Int.	92	+27	92	37
Brit. Dredging	135	+23	135	58
Comcap	618	+123	625	350
Cowle (T)	439	+46	452	216
Crown House	315	+76	317	173
Dale Electric	100	+35	105	59
Exel	470	-58	568	413
Gold Mines Kalgoorlie	482	+152	483	145
Hill Samuel	478	+28	521	398
Home Counties	503	+78	510	375
Morecam	88	-32	133	57
More O'Ferrall	205	+27	206	120
NTZ	917	+83	917	699
Sharna Ware	176	+110	176	43
Smallshaw (R)	103	+19	108	70
Wards Stores	490	+45	495	368
Western Mining	41x1	+61	411	268
Whim Creek	660	+210	660	247

No ulcers at Glaxo

AT ITS ANNUAL general meeting in November, Glaxo stated that sales were 40 per cent higher in the first five months of the year and with fixed costs under control, analysts are plumping for pre-tax profits of £380m, up from £280m last year, when the pharmaceuticals group announced its interim figures on Monday.

Sales in the US have been particularly strong and the overall impact of currency movements is expected to be favourable. The star performer is likely to be Zantac, the anti-ulcer drug which figures show is continuing to take market share from its main rival Tagamet in a market believed to be growing at 28 per cent a year.

Another busy year for Ward White, the fast expanding retail group, should see an increase in pre-tax profits from £26m to £40m when the group an-

nounces its preliminary figures on Tuesday.

In March, Ward bought the Paisley DIY subsidiary of Marks for £24m and in December, the group bought a £170m bid for LCP Hedges, the Midlands industrial company, which operates a US chain of car-part centres.

Results due next week

Footwear retailing profits are expected to be disappointing and the company has disposed of part of its Focus chain since the start of the year. But contributions from Zodiac and Owen Owen should have picked up in the second half, along with a further strong performance from Hatfields.

Two of the big building material groups report their financials this week: Balfour Beatty, the construction giant, and Blue Circle, the cement producer, had a poor first half, partly because of adverse currency movements but also because UK profits were hit by high redundancy costs. In the past these redundancy costs have been taken above the line, but there is speculation that Blue Circle will start to treat them as an extraordinary item at the fall year stage.

Admiral Steamships may have sold its stake in Blue Circle, still looking nervously over its shoulder for predators, and it will not want to produce pre-tax figure falling below £100m.

With the benefit of full contribution from its two US acquisitions in 1986 and a recovery in the UK cement operations in the second half, analysts think the group should hold the decline to £110m from the previous year's £116m.

Blue Circle has had a somewhat brighter year and its 1986 results are expected to show an improved performance from almost every UK activity. The one exception could be the Thorpe Park leisure centre, which was hit by bad weather over the August bank holiday

John Mowlem's preliminary figures, due on Monday, were forecast at the time of the Glasgow Stockholders' acquisition so the market is unlikely to be surprised by a figure of around £120m.

After Mowlem acquired GST, it said the group's investment portfolio had increased and the effect of the deal was roughly equivalent to a one-for-four rights issue. The figures will also include a six-month contribution from SGB, the scaffolding company which Mowlem acquired for £160m in May.

Problem spots are likely to include Buehler Industries in the US whose performance will be further hit in sterling terms because of the dollar's weakness but margins in contracting are expected to improve.

Alice Rawsthorn

Company	Announce- ment date	Dividend (£p)*	Dividend (£p)*	Dividends
FINAL DIVIDENDS				
Atlas Converting	—	—	—	—
Avia Europe	—	—	—	—
Bardwil	—	—	—	—
Barry John	Jan	6		

WEEKEND FT

MOUNTAINEERING

Chris Bonington, who is leading an Anglo-Norwegian expedition to climb Menlungtse, close to the China-Nepal border, describes the "adventure" of getting to Base Camp, and his first impressions of what is a magnificent mountain. The expedition is partly sponsored by the Financial Times. "We are as remote as we could be almost anywhere in the world," reports Bonington, who has been at the forefront of British mountaineering for 25 years.

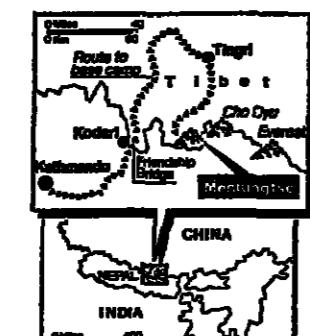
JUST GETTING to Base Camp has been an adventure. We had originally planned on taking five days to reach there from the roadhead, but it has taken us over a fortnight. We had seriously underestimated the problems of penetrating a region of Tibet where no foreigner had ever been before.

It started well enough. We had arranged with the Chinese Mountaineering Association to meet our liaison officer, Wang Ja Ren, and our interpreter Li Chen. He at the Friendship Bridge, the border crossing at Kodari between Nepal and China.

We had arrived the previous night in a bus and a sealed lorry containing all the equipment and food we had imported through Kathmandu airport. Jim Fotheringham, a dentist from Brampton, in Cumbria, and my fellow Briton on this six-man Norwegian-British expedition, had spent the preceding day arguing with the Nepalese customs for we were the new ground as the first mountaineering expedition to go through Nepal into Tibet with all its gear.

Jim is a good and patient negotiator and finally got us through without paying any duty. This meant, however, that we reached the frontier after dark when it was closed. We slept under the stars, to be woken the next morning by the jabber of Nepal porters.

The road beyond the border had been swept away by landslides and we had to walk to the Chinese frontier village of Zhangmu (also known as Khasu), 1,000 feet above.



That very afternoon a torrent of rocks and mud had poured down a huge scarred landscape at one end of the village, piling up 10 feet of itself on a precarious hillside.

We set out the following morning on a lorry crammed with all our stores. A rock the size of a car bounced down the steep slope above just as we crossed the danger area.

As we zigzagged our way through the village, ruined buildings in every doorway marking the

other route, making the street to the entire community.

Then we were beyond the danger area, crawling in low gear into the precipitous gorge that even the traders call the Gate of Hell. The road wound through rocky walls and pine-forested slopes, at times tunnelling through snow drifts 15 feet deep. The gorge carves through the main Himalayan chain to the high arid hills of Tibet, across the 17,500-foot Lalung La pass. From there we gained a superb view of the Sikkim pass to the west, across far to the east, and across the jumble of peaks between, our objective — Menlungtse.

We dropped to the Tibetan plateau in a cloud of dust. It's bleak and bitterly cold, even under a bright sun, giving an impression of endless space, of brown rolling hills, frozen streams and brown wind-blown grass.

Our journey ended at the small village of Tingri, set at 14,700 feet. The height gain had been altogether too fast, Tonger had fully recovered, but

Where no foreigner has been

and Odd Elliesen, Helge Ringdal and Torgeir Fosse were still desperately weak and could barely walk.

We knew that once we had crossed the pass we would drop to below 10,000 feet, an altitude at which he could recover, so we decided to have a short rest the next day up the wide

empty valley that led towards the great barrier of the Himalayas, towards a mountain the Tibetans called Cho Rapsam.

On its left was Cho Gyu, one of the 14 peaks over the magic height of 8,000 metres (26,000 feet). Between the two peaks was the Nangpa La, the classic route into Sela Khumbu in Nepal, home of the Sherpas. We camped at the foot of the Nangpa La.

Tonger seemed no worse, but neither was he any better, and when we had a meal in front of us he had a 15,500-foot pass. We gave him another thorough examination and diagnosed pneumonitis, putting him on a course of antibiotics. We resolved to get him over the pass, knowing how much it meant to him.

The road was little more than a line of stones in the desert. It was frequently blocked by snow, drifts and the driver either powered through them or took precarious diversions, the yak drivers tugging over at a crazy angle. We were stuck in the snow several times and had to dig ourselves out, until finally we were stopped by a frozen stream with a huge drift on the other side. We were just short of the village of Japu, but could go no further. The yak drivers erected their snow-gummed tents nearby.

Jim and I had three pleasant days, walking over the hills immediately around the camp, which was situated at 15,000 ft, in the process becoming accustomed to the altitude. The truck returned with the four Norwegians and food for the yaks and their drivers. All but

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he was still desperately weak and could barely walk.

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Swinging right from the Nangpa La, immediately below the ice fall of Cho Rapsam, we climbed a steep ridge, the Tibetans softly whistling and clucking to their yaks, never showing any impatience, never using any kind of force. We reached the crest of the pass in the late afternoon.

We stopped at the other side of the pass, at 17,000 feet. Jim Fotheringham had pressed on ahead and had a night by himself, though he met up with some yak herders carrying timber back north across the pass, and shared their meal of tea and rice.

Our yak drivers believed in a leisure routine, not moving out of their woollen hand-woven tents, which they heat with a yak dung stove, until

they reached them. They then had a leisure breakfast before collecting the yaks, feeding them with tampons cakes to supplement the winter grazing. It was usually two o'clock in the afternoon before the yaks were loaded and moving. One day it started snowing at midday and they only kept going for a couple of hours before stopping for the night. We couldn't understand why they had stopped so early, particularly as it seemed the ground lower down was much better. Tonger, of the drivers, was having the greatest difficulty keeping them going at all.

They wanted to return to Tingri, since they were getting into unknown ground, but Wang persuaded them to take us down to Chang Bu Jian, the district headquarters, where we would be able to get fresh yaks. We stayed for two days down a narrow gorge danked by huge granite walls, steadily losing height through the brush line, then the tree line, the air get-



ting warmer the lower we got. Tonger was showing signs of recovery and was now able to walk. We were now on the southern side of the Himalayan range where the monsoon rains would penetrate a narrow valley, bringing the lush green vegetation more familiar in Nepal.

The district headquarters comprised a single-storeyed compound. The leader, as far as I could gather, was Chinese, as seemed quite a few of the occupants. The village, a few minutes below, was pure Tibetan. We were the first foreigners ever to visit it.

But our problems were not over, for Wang had run out of money. The porters were beginning to get angry, even threatening to carry all our gear back down to the village. Wang finally solved the problem by rushing back himself to the district headquarters to borrow some money, finally arriving back to pay off our yaks and porters.

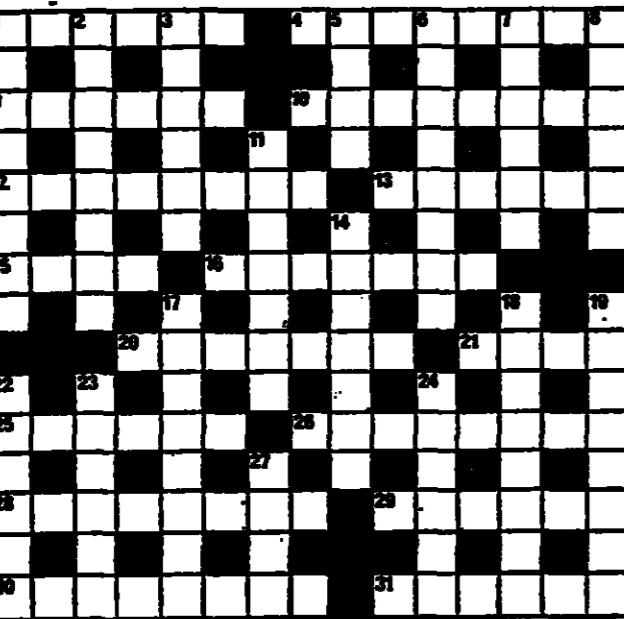
Now we can concentrate on the mountain that is standing tall and proud immediately opposite our camp. Over the next 10 days we shall make a series of sorties up the two glaciers on either side to find a feasible route.

Our prolonged approach has acclimatised us well and our route will enable us to reach heights of up to 20,000 feet, which will enable us to attempt the route of our choice in about a fortnight's time. We can one possible route up the right side of the mountain. One thing that is certain is that there is no easy way up this mountain; it is both steep and complex, with a series of knife-edge ridges leading up to its twin summits.

We are as remote as we could be almost anywhere in the world, with a 17,500 foot pass between us and the nearest road and no prospect of a helicopter rescue, though the Nepalese border is just a few miles away.

We have certainly experienced the most unique approach I have ever undertaken. I have a feeling that the climb is going to be equally challenging.

F.T. CROSSWORD PUZZLE No. 6,301



Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Canongate, London EC4P 4BY. Solution next Saturday.

ACROSS

- 1 Have a meal out? (6)
- 4 Incorporate in good continental holiday resort (6)
- 5 Picked up curious tale about sailors (6)
- 10 Theatre company with miles in unusual (6)
- 12 Plan great changes in fifty places (6)
- 13 Annual report to include National Insurance return (6)
- 15 Always gives nice key back (4)
- 16 Dramatist ought to include tip (7)
- 22 Balloon all in grey plastic (?)
- 23 British school leader leaves (4)
- 25 Insight a copper hands on (6)
- 26 Teacher in miff, very French (6)
- 28 Russian leader reaches disaster investigation (6)
- 29 One who gets the game going? (6)
- 31 I test one cocktail which is hazelnut-flavoured (6)
- 32 Fast way to die! (6)

DOWN

- 1 Cultured flower arranging is held (8)
- 2 Chaps on board honour the R.A.F. (8)
- 3 Wearing next woolly, it's natural (6)
- 5 Hinges man up about opportunity (4)
- 6 Grating spice into it, pulled a face (6)
- 7 It's confusing when she turns in an essay (6)
- 8 Hising, manage to accept award for song (6)
- 11 Soldiers stand by excellent base (7)
- 14 French king races round after fashionable anthem (?)
- 17 One with an identical handle! (6)

SOLUTION AND WINNERS OF PUZZLE No. 6,295

MONDAY

1. *Monte Carlo*, 2. *Monte Carlo*, 3. *Monte Carlo*, 4. *Monte Carlo*, 5. *Monte Carlo*, 6. *Monte Carlo*, 7. *Monte Carlo*, 8. *Monte Carlo*, 9. *Monte Carlo*, 10. *Monte Carlo*, 11. *Monte Carlo*, 12. *Monte Carlo*, 13. *Monte Carlo*, 14. *Monte Carlo*, 15. *Monte Carlo*, 16. *Monte Carlo*, 17. *Monte Carlo*, 18. *Monte Carlo*, 19. *Monte Carlo*, 20. *Monte Carlo*, 21. *Monte Carlo*, 22. *Monte Carlo*, 23. *Monte Carlo*, 24. *Monte Carlo*, 25. *Monte Carlo*, 26. *Monte Carlo*, 27. *Monte Carlo*, 28. *Monte Carlo*, 29. *Monte Carlo*, 30. *Monte Carlo*, 31. *Monte Carlo*, 32. *Monte Carlo*, 33. *Monte Carlo*, 34. *Monte Carlo*, 35. *Monte Carlo*, 36. *Monte Carlo*, 37. *Monte Carlo*, 38. *Monte Carlo*, 39. *Monte Carlo*, 40. *Monte Carlo*, 41. *Monte Carlo*, 42. *Monte Carlo*, 43. *Monte Carlo*, 44. *Monte Carlo*, 45. *Monte Carlo*, 46. *Monte Carlo*, 47. *Monte Carlo*, 48. *Monte Carlo*, 49. *Monte Carlo*, 50. *Monte Carlo*, 51. *Monte Carlo*, 52. *Monte Carlo*, 53. *Monte Carlo*, 54. *Monte Carlo*, 55. *Monte Carlo*, 56. *Monte Carlo*, 57. *Monte Carlo*, 58. *Monte Carlo*, 59. *Monte Carlo*, 60. *Monte Carlo*, 61. *Monte Carlo*, 62. *Monte Carlo*, 63. *Monte Carlo*, 64. *Monte Carlo*, 65. *Monte Carlo*, 66. *Monte Carlo*, 67. *Monte Carlo*, 68. *Monte Carlo*, 69. *Monte Carlo*, 70. *Monte Carlo*, 71. *Monte Carlo*, 72. *Monte Carlo*, 73. *Monte Carlo*, 74. *Monte Carlo*, 75. *Monte Carlo*, 76. *Monte Carlo*, 77. *Monte Carlo*, 78. *Monte Carlo*, 79. *Monte Carlo*, 80. *Monte Carlo*, 81. *Monte Carlo*, 82. *Monte Carlo*, 83. *Monte Carlo*, 84. *Monte Carlo*, 85. *Monte Carlo*, 86. *Monte Carlo*, 87. *Monte Carlo*, 88. *Monte Carlo*, 89. *Monte Carlo*, 90. *Monte Carlo*, 91. *Monte Carlo*, 92. *Monte Carlo*, 93. *Monte Carlo*, 94. *Monte Carlo*, 95. *Monte Carlo*, 96. *Monte Carlo*, 97. *Monte Carlo*, 98. *Monte Carlo*, 99. *Monte Carlo*, 100. *Monte Carlo*, 101. *Monte Carlo*, 102. *Monte Carlo*, 103. *Monte Carlo*, 104. *Monte Carlo*, 105. *Monte Carlo*, 106. *Monte Carlo*, 107. *Monte Carlo*, 108. *Monte Carlo*, 109. *Monte Carlo*, 110. *Monte Carlo*, 111. *Monte Carlo*, 112. *Monte Carlo*, 113. *Monte Carlo*, 114. *Monte Carlo*, 115. *Monte Carlo*, 116. *Monte Carlo*, 117. *Monte Carlo*, 118. *Monte Carlo*, 119. *Monte Carlo*, 120. *Monte Carlo*, 121. *Monte Carlo*, 122. *Monte Carlo*, 123. *Monte Carlo*, 124. *Monte Carlo*, 125. *Monte Carlo*, 126. *Monte Carlo*, 127. *Monte Carlo*, 128. *Monte Carlo*, 129. *Monte Carlo*, 130. *Monte Carlo*, 131. *Monte Carlo*, 132. *Monte Carlo*, 133. *Monte Carlo*, 134. *Monte Carlo*, 135. *Monte Carlo*, 136. *Monte Carlo*, 137. *Monte Carlo*, 138. *Monte Carlo*, 139. *Monte Carlo*, 140. *Monte Carlo*, 141. *Monte Carlo*, 142. *Monte Carlo*, 143. *Monte Carlo*, 144. *Monte Carlo*, 145. *Monte Carlo*, 146. *Monte Carlo*, 147. *Monte Carlo*, 148. *Monte Carlo*, 149. *Monte Carlo*, 150. *Monte Carlo*, 151. *Monte Carlo*, 152. *Monte Carlo*, 153. *Monte Carlo*, 154. *Monte Carlo*, 155. *Monte Carlo*, 156. *Monte Carlo*, 157. *Monte Carlo*, 158. *Monte Carlo*, 159. *Monte Carlo*, 160. *Monte Carlo*, 161. *Monte Carlo*, 162. *Monte Carlo*, 163. *Monte Carlo*, 164. *Monte Carlo*, 165. *Monte Carlo*, 166. *Monte Carlo*, 167. *Monte Carlo*, 168. *Monte Carlo*, 169. *Monte Carlo*, 170. *Monte Carlo*, 171. *Monte Carlo*, 172. *Monte Carlo*, 173. *Monte Carlo*, 174. *Monte Carlo*, 175. *Monte Carlo*, 176. *Monte Carlo*, 177. *Monte Carlo*, 178. *Monte Carlo*, 179. *Monte Carlo*, 180. *Monte Carlo*, 181. *Monte Carlo*, 182. *Monte Carlo*, 183. *Monte Carlo*, 184. *Monte Carlo*, 185. *Monte Carlo*, 186. *Monte Carlo*, 187. *Monte Carlo*, 188. *Monte Carlo*, 189. *Monte Carlo*, 190. *Monte Carlo*, 191. *Monte Carlo*, 192. *Monte Carlo*, 193. *Monte Carlo*, 194. *Monte Carlo*, 195. *Monte Carlo*, 196. *Monte Carlo*, 197. *Monte Carlo*, 198. *Monte Carlo*, 199. *Monte Carlo*, 200. *Monte Carlo*, 201. *Monte Carlo*, 202. *Monte Carlo*, 203. *Monte Carlo*, 204. *Monte Carlo*, 205. *Monte Carlo*, 206. *Monte Carlo*, 207. *Monte Carlo*, 208. *Monte Carlo*, 209. *Monte Carlo*, 210. *Monte Carlo*, 211. *Monte Carlo*, 212. *Monte Carlo*, 213. *Monte Carlo*, 214. *Monte Carlo*, 215. *Monte Carlo*, 216. *Monte Carlo*, 217. *Monte Carlo*, 218. *Monte Carlo*, 219. *Monte Carlo*, 220. *Monte Carlo*, 221. *Monte Carlo*, 222. *Monte Carlo*, 223. *Monte Carlo*, 224. *Monte Carlo*, 225. *Monte Carlo*, 226. *Monte Carlo*, 227. *Monte Carlo*, 228. *Monte Carlo*, 229. *Monte Carlo*, 230. *Monte Carlo*, 231. *Monte Carlo*, 232. *Monte Carlo*, 233. *Monte Carlo*, 234. *Monte Carlo*, 235. *Monte Carlo*, 236. *Monte Carlo*, 237. *Monte Carlo*, 238. *Monte Carlo*, 239. *Monte Carlo*, 240. *Monte Carlo*, 241. *Monte Carlo*, 242. *Monte Carlo*, 243. *Monte Carlo*, 244. *Monte Carlo*, 245. *Monte Carlo*, 246. *Monte Carlo*, 247. *Monte Carlo*, 248. *Monte Carlo*, 2